

# Realside Capital Flagship Fund



Monthly Report  
February 2021

## Structure

Australian stapled unit trust

## Target Total Return

12% p.a.

## Distributions

Annually

## Fund Term

3 year lock up

## Liquidity

Quarterly (post 3 years)

## Eligibility

Wholesale clients

## Minimum Investment

\$500,000

## Management Fee

1.50% p.a.

## Performance Fee

15% p.a.

## Return Hurdle

6% p.a.

## APIR Code

RSM8774AU

## Overview

The Realside Capital Flagship Fund (the “Fund”) aims to achieve strong equity like returns with debt like characteristics through investments in a range of unlisted situations with a predominant focus on asset backed senior secured debt.

## Fund Objective

The investment objective is to provide consistent positive returns irrespective of the market cycle on a superior risk adjusted basis. This is achieved by seeking to allocate to private market investments with a predictable investment outcome and strong capital protection. The Fund will gain exposure to high quality assets or businesses through a more secured investment position.

## Investment Strategy

The Fund invests across a diversified range of illiquid investments in order to provide a predictable return profile over time, with a focus on capital protection. The Fund will predominantly gain its exposures through debt instruments, ranging from senior secured instruments through to a range of mezzanine or second mortgage structures with tailored security arrangements. The returns are predominantly fixed, although the Fund may benefit from additional upside, through profit share, convertibles, or equity options issued by investee companies.

## Investment Universe and Portfolio Construction

The Fund will invest across a range of sectors, with a strong emphasis on asset security and cashflow realisation. Key exposures will include both project finance and term finance on property or operating assets, asset finance for commercial assets and growth funding for businesses with asset-backing and strong cash generation. The Fund will seek to diversify investments across industries, geographies, asset types as well as counterparties.

## Why Realside?



Long track record of consistent absolute returns.



Disciplined and systematic approach to selecting opportunities.



Strong focus on protection of capital as priority.



Investment team who have delivered strong through-cycle returns.



Transparent approach to the investment process.



Risk-targeted approach to due diligence and ongoing asset management.

# \$50,482,359

Gross asset value

# 7.08%

Total Net Fund Return\*

# 9

Assets

## Performance Update

### Market & Portfolio Commentary

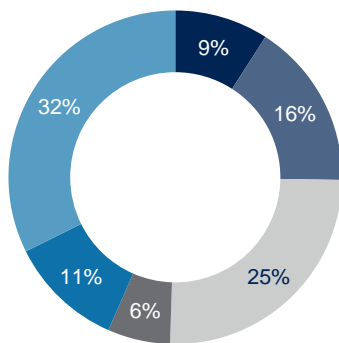
February saw a further 1% return, continuing the Fund's positive run in the recent months, and bringing the total return for the last 6 months above 7%. We therefore remain confident that the diversified portfolio of the Fund positions it as a compelling private credit investment proposition in the current low interest rate environment.

February provided a strong economic backdrop to domestic recovery, as evidenced by improvement in business confidence, the best company reporting season in a decade relative to market forecasts, and continuous improvements in the housing market (prices up +2.2% quarter over quarter).

This positive economic environment translated into strong performance across all our portfolio investments, with property development projects tracking on time and on budget, and leisure & travel assets showing high levels of occupancy.

The expiry of relief measures for borrowers, together with an improved economic outlook, favourably position the Fund to capitalise on both growth credit and balance sheet recapitalisations. The Fund pipeline remains robust, with new opportunities coming up across a wide range of sectors.

### Industry Allocation



- Cash
- Commercial Real Estate
- Residential Real Estate
- Utilities
- Diversified Financials
- Hotels, Restaurants and Leisure

### Total Net Fund Returns (%)

1 month	0.94%
3 months	3.57%
6 months	6.53%
Since inception*	7.08%

### Top 5 Assets

Asset	Sector	Value (m)	Capital Position	Return (p.a.)
1	Hotels, Restaurants and Leisure	\$9.98	Senior Debt	15%
2	Diversified Financials	\$5.65	Senior Debt	12%
3	Residential Real Estate	\$5.14	Senior Debt	12%
4	Hotels, Restaurants and Leisure	\$6.04	Subordinated Debt	18%
5	Commercial Real Estate	\$6.20	Subordinated Debt	19%

\*Represents total net fund returns since inception of the Fund on 14 August 2020.



## Contact Us

For more information and to express your interest, visit [realside.com.au](https://realside.com.au)

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