

Fund Objective

The Realm Short Term Income Fund seeks to produce a return (net of fees) that exceeds the total return of the RBA Overnight Cash Rate by 1.50%-2.00% p.a. over rolling three-year periods.

Net Performance

Period	Ordinary Units	RBA Cash Rate Return
1 Month	0.26%	0.10%
3 Month	0.86%	0.35%
6 Month	1.71%	0.72%
12 Month	3.10%	1.48%
Since Inception	2.97%	1.49%

* Past performance is not indicative of future performance. *Ordinary units Inception 21 December 2017.

Fund Update

Cash and Short-Term Liquidity Weighting: ↑ Cash and Short dated liquidity increased from 36% to 40%.

Interest Rate Duration Position: → 0.11 years. The strategy will maintain interest rate duration of approximately 3 months as an average. However, the manager can increase interest rate exposure to as high as 1 year under certain conditions. The strategy will as a rule only take modest interest rate risk.

Corporate & Subordinated Debt Allocation: ↓ Decreased to 32% from 36% over the month. A handful of sales and securities shifting into short dated liquidity was the key reason. The corporate book is very conservatively positioned in short dated senior paper of Australian ADI's, these assets experience very low levels of relative market volatility.

Residential Backed Securities (RMBS) & ABS: → Remained static over the month. The structured credit portfolio is weighted at A+ with a weighted credit duration of 1.5 years. S&P spin data over the month pointed to arrears remaining relatively stable. A small tick up in non-conforming arrears was largely compositional and doesn't reflect any broader concern. Stable property markets, and declining interest rates are likely to see Australian spread product outperform. RMBS & ABS premiums are likely to start looking very attractive in a relative sense as broader credit markets continue to perform.

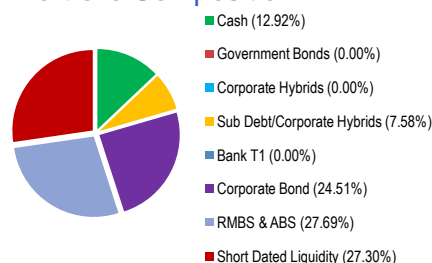
Targeted risk across the Fund: → Targeted risk remains at 0.41%. The portfolio remains defensively positioned, despite this the fund has met its return objective over the last 12 months delivering 3.10% after fees. This is evidence that the strategy is well designed in that it delivers a reasonable premium over cash while maintaining a very tight distribution of returns month on month.

Fund Statistics

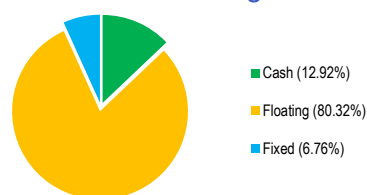
Running Yield	3.22%
Volatility [†]	0.12%
Interest rate duration	0.11
Credit duration	1.35
Average Credit Rating	A
Number of positions	52
Average position exposure	1.65%
Worst Month*	0.20%
Best Month*	0.33%
Sharpe ratio [‡]	25.06
Information Ratio [‡]	23.95

Calculated on Ordinary Units unless otherwise stated. *Since Inception 21 December 2017.
[†]Trailing 12 Months Calculated on Daily observations. [‡]Since Inception Calculated on Daily observations

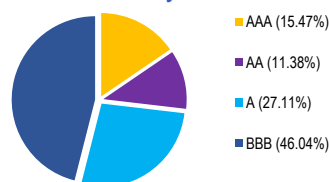
Portfolio Composition



Fixed and Floating Breakdown



Credit Quality



Maturity Profile



Market Outlook

The Realm Short Term Income Fund is a short duration low volatile strategy, providing sector diversity coupled with weighted credit duration of less than 1.5 years. In addition, an investment grade only credit quality limit will act to minimise portfolio volatility even during periods of heightened credit volatility.

While the portfolio can increase and decrease aggregate risk, this is managed in a tight band. The focus being on maintaining a competitive rate of return versus term deposits while guarding the portfolio against volatility and liquidity risk.

In instances of market volatility, investors will find that the portfolio will perform adequately with draw down risk mitigated by tight portfolio limits and portfolio diversity.

Markets bounced strongly, driven by central bank signalling and a ceasefire in the ongoing trade spat between the United States and China. Here in Australia the RBA cut to 1% and signalled a pause. Markets are buoyant. Financial conditions are loose and will likely be loosened further, bond markets are delivering risk assets the lowest risk free rate in over 3 years in the US and all time record lows here at home and when all is said and done you have a global economy that is stable (if-uninspiring).

Starting with rates, its hard to find a bond bear anywhere at the moment, which might be a sign in-itself. Current rates are implying very low term premia which reflects high expectations around rate cuts, this is despite the fact that economic performance globally is at or around trend, while in the US economic strength could be described as being comfortably above post GFC averages.

This could be explained by safe haven buying which has moved rates through fundamentals or it may also signal a change in US settings, whereby the Fed seeks to deal with weakening competitiveness and productivity (especially in manufacturing) through focussing on relative currency performance and consequently rates. The markets are implying a 100% probability of a cut in July and a 60% probability of at least 3 by year end. This markedly exceeds Fed guidance.

Domestically the RBA has cut in early July and signalled a pause. Market see's one more before year end. Add to this pending tax cuts, bottoming in property values and of course record low rates and you can expect yield assets and product will be well sought. More specifically we feel that this new environment could challenge the traditional Australian barbell investment strategy which see's an over investment in equities and cash, with the middle of the risk curve (credit, infra and other alternatives) neglected.

The reach for yield can be expected to buoy AUD credit and hybrid markets and drive them well into expensive territory. This should be met by increased foreign issuance into AUD and unfortunately will also result in money trickling to all the wrong places. Investors and advisers should remain vigilant in such an environment.

Sector Allocation

Sector	Asset Allocation Range	SAA Target
Cash	10% - 100%	10%
31 Day Notice Account	0% - 20%	10%
Government Bonds	0% - 90%	0%
Corporate Bonds	0% - 40%	25%
Sub Debt/Corporate Hybrids	0% - 20%	10%
RMBS & ABS	0% - 30%	25%
Short Dated Liquidity	0% - 60%	30%

Fund details

Distribution Frequency: Monthly

Liquidity: Daily

Buy/Sell: 0.00% / 0.00%

Direct Minimum Investment:

Ordinary Units - \$25,000

mFunds Units - \$25,000

Inception Date: 12.12.2017

Fund size: AUD \$73 million

APIR Codes:

Ordinary Units - OMF3725AU

mFunds Units - OMF8160AU

Management Fees (inc. GST):

Ordinary Units - 0.33%

mFunds Units - 0.39%

Responsible Entity: One Managed Investment Funds Ltd

Custodian: Mainstream Funds Services Pty Ltd

Unit Pricing and Unit Price History:

www.realminvestments.com.au/media/4

Platform Availability

- Hub24
- Netwealth
- Powerwrap
- Praemium
- mFund Settlement Service - mFund code: RLM02

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