REALM HIGH INCOME FUND

DECEMBER 2025

REALM INVESTMENT HOUSE

FUND OBJECTIVE

The Realm High Income Fund is a fixed income strategy, that invests in domestic asset backed securities, bank-issued securities and corporate & government bonds. The objective of the Fund is to deliver investors a consistent return (net of fees and gross of franking) of 3% over the RBA cash rate through a market cycle.

FUND DETAILS

Distribution Frequency: Monthly
Liquidity: Daily
Buy/Sell: 0.05% / 0.05%
Inception Date: 26.9.2012
Fund size: AUD $2.64 billion
Management Fees (Net of GST):
Ordinary Units - 1.1182%
Wholesale, Adviser, & mFunds Units - 0.7175%
Direct Minimum Investment:
Ordinary, Adviser Units - $25,000
Wholesale Units -$1,000,000
mFund Units - $10,000

Zenith RECOMMENDED

Recommended Lonsec Research

NET PERFORMANCE

Period	Ordinary Units* (incl. franking)	Wholesale Units* (incl. franking)	RBA Cash Rate Return*
1 Month	0.31%	0.35%	0.30%
3 Month	0.92%	1.01%	0.89%
6 Months	3.21%	3.40%	1.82%
1 Year	6.28%	6.70%	3.87%
3 Years p.a.	8.65%	9.10%	4.03%
5 Years p.a.	5.60%	6.03%	2.68%
10 Years p.a.	4.92%	5.36%	1.96%
Since Inception p.a.*	5.17%	5.35%	2.09%

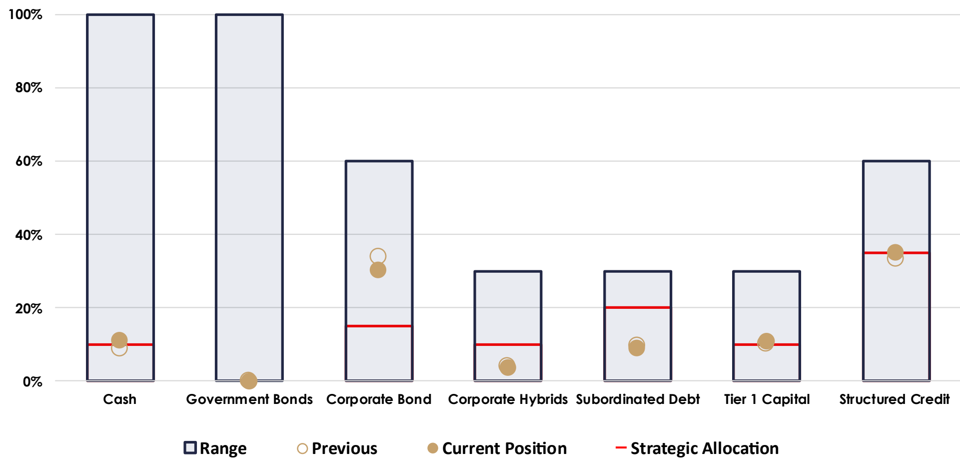
* Past performance is not indicative of future performance. *Ordinary units Inception 26 September 2012. Wholesale units Inception 2 October 2013.

FUND STATISTICS

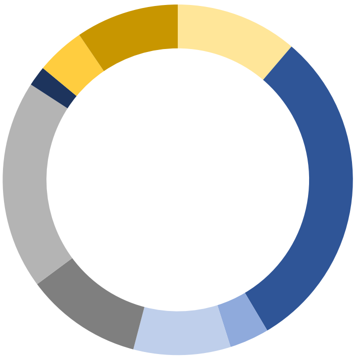
Running Yield	6.00%
Yield to Maturity	5.95%
Volatility†	1.14%
Interest rate duration	1.47
Credit duration	3.03
Average Credit Rating	BBB+
Number of positions	489
Average position exposure	0.20%
Worst Month*	-1.99%
Best Month*	2.09%
Sharpe ratio∂	2.10

Calculated on Ordinary Units unless otherwise stated. *Since Inception 26 September 2012.
†Trailing 12 Months Calculated on Daily observations. ∂Since Inception Calculated on Daily observations

SECTOR ALLOCATION

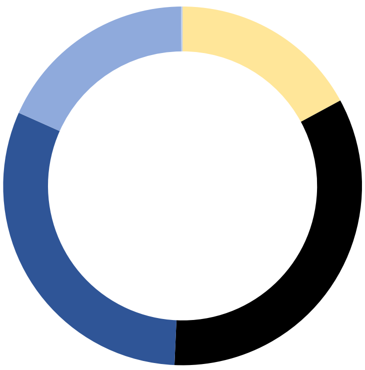


PORTFOLIO COMPOSITION



- Cash (11.25%)
- Government Bonds (0.00%)
- Corporate Bond (30.21%)
- Corporate Hybrid (3.66%)
- Subordinated Debt (8.97%)
- Tier 1 Capital (10.76%)
- ABS Public (19.30%)
- ABS Private (1.85%)
- RMBS Private (4.49%)
- RMBS Public (9.51%)

CREDIT DURATION PROFILE



- At Call to 6 Months (17.10%)
- 6 Months to 3 Years (33.62%)
- 3 Years to 5 Years (30.96%)
- 5 Years to 10 Years (18.18%)
- 10 Years + (0.14%)

FUND UPDATE

Cash and Short-Term Liquidity:

↑ The allocation to highly liquid assets (cash and government bonds) increased from 8.90% to 11.25%. This reflected reduced allocations to corporate bonds, corporate hybrids and subordinated debt, which was partially offset by increased allocations to ABS/RMBS and T1 Capital.

Corporate Bond, Corporate Hybrids & Subordinated Debt:

↓ Weighting to corporate bonds, corporate hybrids and subordinated debt decreased from 47.63% to 42.84%. Credit spreads ended the month tighter despite concerns around private credit and heavier IG issuance in 2026. The fund continued profit taking across longer dated corporate bonds after further strong performance. Although primary activity slowed as expected ahead of the Christmas holidays, the Australian hybrid market still saw a couple of transactions, including a delayed draw hybrid from Ampol and a debut dual tranche offering from Dexus.

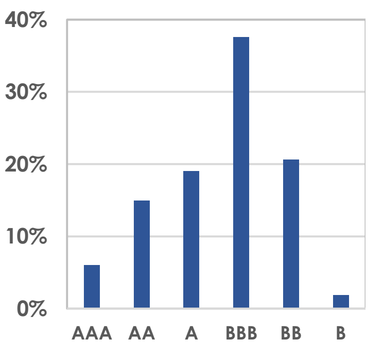
Interest Rate Duration Position:

↑ IRD positioning increased from 1.29 to 1.47 years as the Australian yield curve steepened. Australian 10-year bond yields rose over the month by 23 bps to 4.74% driven by higher real yields. The RBA held the cash rate at 3.60% on December 9 as inflation has been more persistent than expected and remained above the RBA's target band, as well as evidence of higher household consumption and solid investment at a time when many believe that activity is running close to capacity constraints. In addition, RBA Governor Bullock signalled that the next move could be up rather than down if inflation proves persistent.

Global bond yields moved higher in early December driven, in part, by growing expectations of a Bank of Japan hike which they followed through with on December 19. The Fed cut rates by 25 bps on December 10 as widely expected despite dissents in both directions and an incomplete data picture due to residual impacts from the government shutdown. As at the end of the month, the swaps market expected the Fed to cut by 60 bps, and for the RBA to hike by 40 bps over the course of 2026.

ISSUER DOMICILE

CREDIT QUALITY



PORTFOLIO ESG RISK LIMITS

Sector	Portfolio Exposure	Portfolio Limit
Fossil Fuels	6.3%	10%
Non-Renewable & Nuclear Energy	0.00%	10%
Alcohol	0.00%	10%
Gambling	1.2%	10%

Residential Mortgage-Backed Securities (RMBS):
↑ Weighting to RMBS securities increased from 11.35% to 14.00% over the month. Credit markets remained tight through December, with the final few transactions of the year launching and pricing well before the Christmas break. Mezzanine and sub-investment grade spreads remain tight, with investor demand continually skewed toward shorter-duration credit risk within structured bonds. The market continues to maintain a strong secondary bid, with markets actively seeking middle mezzanine (A-BBB rated) and lower mezzanine (Sub investment grade rated) bonds. The pipeline for new transactions to begin in January remains high, with several new transactions already scheduled for launch post the new year break.

With respect to market performance, Prime arrears as reported by S&P's SPIN index for October improved by 2bps to 0.81%. Non-conforming arrears improved by 36bps to 3.20%. Auto arrears improved to 1.14% for the month, from 1.27% the prior month. All results remain strong in comparison to both market expectations and historic index levels.

Tier 1 Capital:
↑ Weighting to Tier 1 capital increased from 10.18% to 10.76%. Domestic ASX-listed Tier 1 securities underperformed global peers, with spreads largely unchanged, presenting an opportunity to selectively increase the Fund's allocation. Meanwhile, Global Tier 1 spreads tightened over the period and we continue to consider this sector as expensive. During the month, the European Central Bank's Governing Council proposed structural amendments to the AT1 framework, these developments did not materially influence market pricing. Issuers including BNP and Ageas accessed primary markets amid the customary year-end lull; however, the Fund did not participate given unattractive valuations.

Asset Backed Securities (ABS):
↓ ABS allocation decreased from 21.94% to 21.15%. These assets are typically very short dated, continue to offer healthy yields and remain highly sought after by market participants.

Targeted risk across the Fund:
↑ Targeted portfolio risk increased from 1.96% to 1.99%. This reflected an increase in interest rate duration from 1.29yrs to 1.47yrs which was offset by a decrease in credit duration from 3.30yrs to 3.03yrs.

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PLATFORM AVAILABILITY

- Australian Money Market (Retail Units)
- AMP North
- BT Wrap
- BT Panorama
- Credit Suisse
- Crestone
- First Wrap
- HUB24
- IOOF Pursuit/Expand
- Macquarie Wrap
- Mason Stevens
- Netwealth
- Powerwrap
- Praemium
- uXchange
- Xplore Wealth
- mFund: RLM03

OTHER FUND DETAILS

Responsible Entity: One Managed Investment Funds Ltd

Custodian: State Street Australia Limited

Unit Pricing and Unit Price History: https://www.realminvestments.com.au/ourproducts/Realm-high-income-fund/

FUND OVERVIEW

Financial markets were risk-on in December as equities rallied and bond yields rose. The STOXX 600 advanced 2.8% to close at all-time highs, the ASX 200 gained 1.2%, while the S&P 500 (-0.1%) underperformed amid lingering concerns around stretched AI valuations. In credit markets, the Bloomberg US Corporate Baa-rated Option Adjusted Spread tightened 4bps to 0.97%.

Global bond yields rose sharply following hawkish shifts from several central banks. These included hawkish commentary from ECB and BoJ members, and the BoJ raising its policy rate by 25bps to 0.75%, the highest level in three decades. The RBA left rates on hold but adopted a hawkish tone, hinting that rate hikes were possible should inflation pressures persist. The ECB also left rates on hold, while the Fed and BoE cut rates by 25bps as expected.

The US dollar declined 1.1% in December as the rise in global bond yields outpaced US Treasuries, while precious metals continued to rally, led by silver (+26.8%) with gold (+1.9%) rising more modestly.

US economic data was mixed. Q3 GDP growth was stronger than expected at 4.3%, but labour data was soft, showing an uptick in the unemployment rate to 4.6%. Inflation data also printed softer than expected, although data collection issues due to the government shutdown may have affected the accuracy of the report.

The fund achieved a solid result (0.35%) in December, outperforming the RBA Cash Rate (0.30%). Contributions to the outperformance were broad but led by Corporate Bonds and Structured Credit.

The portfolio's yield to maturity increased slightly to 5.95% (p5.93%) and continues to provide a reasonable prospect of meeting the investment objectives over the medium term. As the term structure of key global bond markets steepened, interest rate duration was extended to 1.47 years (p1.29), while credit duration was reduced to 3.03 years (p3.30) as positions in long-dated corporates were trimmed. The portfolio credit rating remained unchanged at BBB+.

The portfolio reduced its overweight position in Corporate Bonds, with capital reallocated into Structured Credit on relative value considerations and Cash. Structured Credit is now back in line with benchmark levels, while Cash is slightly above.

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FUND OVERVIEW

The Corporate Bond exposure is still considerably overweight but has a higher credit quality (BBB+) than we expect to have over the long term. It is primarily held in domestic financials, mining, infrastructure and property related issuers.

Overall, the portfolio is conservatively postured and remains well-positioned to take advantage of trading opportunities should they arise. Although drawdowns are possible if trade or geopolitical tensions re-escalate, the likelihood of a negative return over a 12-month period remains limited due to the high starting point for Yield to Maturity.

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