

NOVEMBER 2025

## 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 \$2.57 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



RECOMMENDED



## NET PERFORMANCE

Period	Ordinary Units* (incl. franking)	Wholesale Units* (incl. franking)	RBA Cash Rate Return*
1 Month	0.15%	0.17%	0.29%
3 Month	1.38%	1.46%	0.88%
6 Months	3.66%	3.85%	1.83%
1 Year	6.72%	7.13%	3.94%
3 Years p.a.	8.99%	9.44%	4.02%
5 Years p.a.	5.61%	6.04%	2.62%
10 Years p.a.	4.90%	5.34%	1.95%
Since Inception p.a.*	5.18%	5.36%	2.08%

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

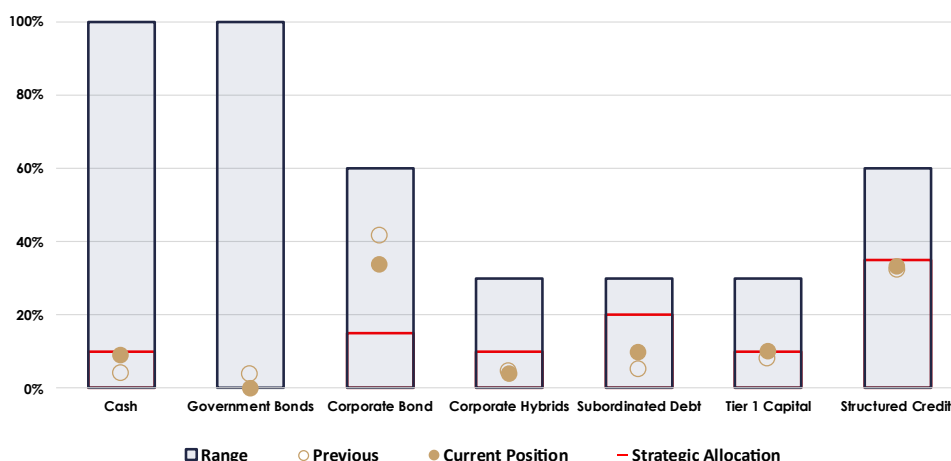
## FUND STATISTICS

Running Yield	5.96%
Yield to Maturity	5.93%
Volatility†	1.14%
Interest rate duration	1.29
Credit duration	3.30
Average Credit Rating	BBB+
Number of positions	474
Average position exposure	0.21%
Worst Month*	-1.99%
Best Month*	2.09%
Sharpe ratio‡	2.11

Calculated on Ordinary Units unless otherwise stated. \*Since Inception 26 September 2012.

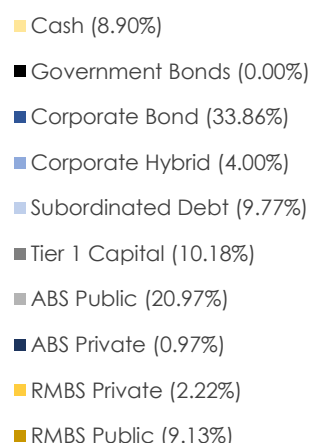
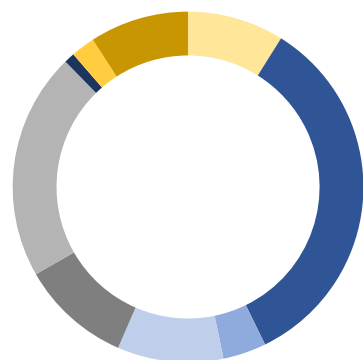
†Trailing 12 Months Calculated on Daily observations. ‡Since Inception Calculated on Daily observations

## SECTOR ALLOCATION

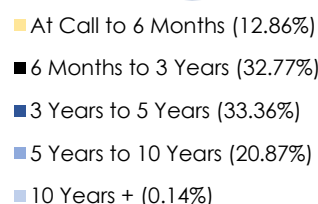
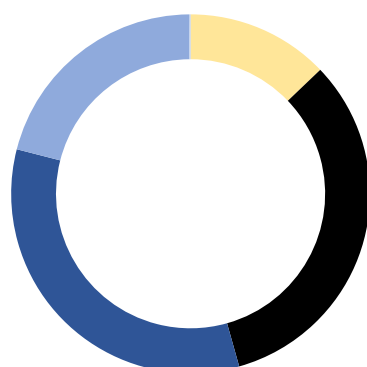


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## PORTFOLIO COMPOSITION



## CREDIT DURATION PROFILE



## FUND UPDATE

### Cash and Short-Term Liquidity:

↓ The allocation to highly liquid assets (cash and government bonds) decreased from 11.98% to 8.90%. This reflected increased allocations to subordinated debt, T1 capital and ABS/RMBS, which was partially offset by reduced allocations to corporate bonds and corporate hybrids.

### Corporate Bond, Corporate Hybrids & Subordinated Debt:

↓ Weighting to corporate bonds, corporate hybrids and subordinated debt decreased from 49.42% to 47.63%. Spreads ended the month slightly wider after early weakness driven by fears of heavy IG issuance and private credit risk. A strong recovery in the final week offset most of the widening, supported by improving sentiment and growing confidence in a potential Fed rate cut. During the selloff, the fund increased holdings in USD major bank Tier 2. In the final weeks of November, it locked in gains on longer-dated corporates, justifying the decision to add these positions post-Liberation Day. Primary investments included a senior unsecured in EUR from Brisbane Airport and another AUD corporate hybrid offering from Transgrid. Both performed well in secondary trading.

### Interest Rate Duration Position:

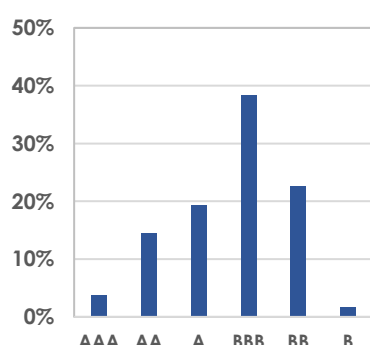
↑ IRD positioning increased from 1.13 to 1.29 years as the Australian yield curve bear steepened. Markets began to price in RBA rate hikes in 2026 after a higher than expected CPI print for October late in the month. Australian 10-year bond yields rose over the month by 22bps to 4.51% primarily driven by higher real yields. The RBA left rates on hold in early November and again in early December. The Fed cut rates by 25bps on December 10. A number of global central banks (RBA, BoC, ECB, RBNZ, BoJ) now have hikes priced into their swap curves for 2026 whilst the Fed and BoE are still priced for cuts. As at the end of the month, the swaps market expected the Fed to cut by 84 bps out to October 2026, and for the RBA to hike by 10bps out to November 2026.

## ISSUER DOMICILE



■ Australian/NZ Domiciled Issuer & Cash (75.75%)  
■ Foreign Domiciled Issuer (24.25%)

## CREDIT QUALITY



## PORTFOLIO ESG RISK LIMITS

Sector	Portfolio Exposure	Portfolio Limit
Fossil Fuels	7.1%	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 10.02% to 11.35% over the month. Credit markets remained constructive through November, with public market issuance continuing to increase and primary markets remaining well supported. A strong pipeline of new transactions came to market, with the majority pricing comfortably ahead of year-end. Mezzanine and sub-investment grade spreads continued to tighten across non-bank issuance as investor demand remained skewed toward shorter-duration credit risk within structured and non-bank formats. In contrast, spreads on bank and regional bank issuance widened modestly, reflecting ongoing investor preference for shorter credit duration over longer-dated bank capital structures. New issuance remained consistently oversubscribed, supported by strong investor demand and constructive funding conditions for issuers. Given these dynamics, we expect issuance activity to remain elevated into year-end.

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 7.76% to 10.18%. Global and domestic Tier 1s continued to widen but recovered towards the end of the month, creating compelling entry points to build positions across ASX-listed and offshore insurance Tier 1 instruments. Despite a softer secondary tone, the fundamental backdrop for Global Tier 1 remained robust, supported by S&P ratings upgrades, multiple issuers upgrading earnings guidance and net supply coming in below expectations. Having said that, primary activity was meaningful which was led by issuance from Barclays and Deutsche Bank in EUR and Standard Chartered in USD. BNP also became the second Kangaroo Tier 1 issuer of the year; however, the Fund elected not to participate, with domestic ASX-listed Tier 1s offering more favourable relative value.

## Asset Backed Securities (ABS):

↑ ABS allocation increased from 20.82% to 21.94%. 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 1.89% to 1.96%. This reflected an increase in interest rate duration from 1.13yrs to 1.29yrs which was offset slightly with a decrease in credit duration from 3.58yrs to 3.30yrs.

## 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 remained volatile in November. Equities sold off in the first half of the month amid concerns about stretched AI valuations, but recovered towards month-end as expectations for US rate cuts firmed following dovish Fed commentary.

The S&P500 (+0.1%) finished the month near unchanged, while the tech-heavy NASDAQ (-1.5%) underperformed. The Nikkei 225 (-4.1%) and ASX 200 (-3%) also underperformed on expectations of higher domestic interest rates. In credit markets, the Bloomberg US Corporate Baa-rated Option Adjusted Spread widened 3bps to 1.01%.

US bond yields were volatile but ultimately finished lower following a mixed payrolls report that showed unemployment rising to 4.4%. Dovish comments from NY Fed President Williams also contributed to the decline in yields.

In Australia, bond yields rose sharply after unemployment fell back down to 4.3% and inflation data came in stronger than expected. The RBA left rates on hold at 3.6% as widely anticipated. Japanese bond yields also rose over the month after an outsized fiscal stimulus package was approved by Japan's Cabinet, and BoJ Ueda hinted that a December rate hike was being considered.

In the UK, Gilt yields rose in early November on heightened fiscal concerns, but most of the increase was retraced by month-end following the release of the Autumn Budget. The BoE also left rates on hold, albeit with dovish messaging.

Gold (+5.9%) continued to rally, finishing the month above \$4200 an ounce.

Against this backdrop, the fund achieved a return of 0.17% in November, slightly underperforming the RBA Cash Rate (0.29%).

The portfolio's yield to maturity increased to 5.93% (p5.73%) as domestic credit spreads widened during the month. Interest rate duration was extended to 1.29 years (p1.13), while credit duration was reduced to 3.30 years (p3.58). The portfolio credit rating remained unchanged at BBB+.

Capital was reallocated from Corporate Bonds into Cash, Tier 1 Capital and Subordinated Debt on relative value considerations, with Tier 1 Capital and Cash now back at benchmark levels.

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The Corporate Bond exposure is significantly 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 and AI valuations may be optimistic, 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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