

### Fund Objective

The Realm Cash Plus 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 (incl. franking)	RBA Cash Rate Return
1 Month	0.25%	0.13%
3 Month	0.66%	0.38%
6 Month	1.32%	0.74%

\* 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 remained at approximately 35%. Portfolio running yield remains at 3.95%.

**Interest Rate Duration Position:** → 0.10 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:** Our corporate & sub debt position reduced moderately to 40% from 45% over the month. Main driver of this was a number of senior names falling into the 12 month or less bucket which is classified as short dated liquidity.

**Residential Backed Securities (RMBS) & ABS:** An increase to 24.5% from 22%. The increase was driven by an increase in shorter dated AA rated seasoned paper.

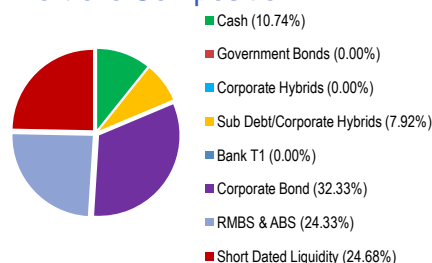
**Targeted risk across the Fund :** Targeted portfolio volatility remained in line over the month, sitting at 0.4%. This figure is below our 0.5% benchmark, while portfolio yield to maturity sits at 3.44%. The portfolio is positioned to meet its long term objectives, which equates to a return of 1.5% to 2% over cash net of fees.

### Fund Statistics

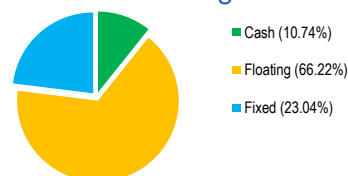
Running Yield	3.95%
Volatility <sup>†</sup>	0.14%
Interest rate duration	0.08
Credit duration	1.27
Average Credit Rating	A
Number of positions	55
Average position exposure	1.44%
Worst Month*	0.20%
Best Month*	0.27%
Sharpe ratio <sup>†</sup>	15.74
Information Ratio <sup>†</sup>	16.02

Calculated on Ordinary Units unless otherwise stated. \*Since Inception 21 December 2017. <sup>†</sup> Calculated on Daily observations since inception

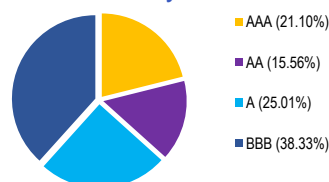
### Portfolio Composition



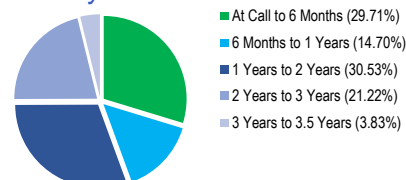
### Fixed and Floating Breakdown



### Credit Quality



### Maturity Profile



## Market Outlook

The Realm Cash Plus Fund is a short duration low vol strategy, sector diversity coupled with weighted credit duration of less than 1.5 years; in addition to 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.

From a market perspective, global synthetic and real money credit indices performed strongly over the month as the Peoples bank of China abandoned their deleveraging drive in the face of looming US tariffs and the real potential of a more meaningful trade confrontation with the worlds largest economy (the US).

The PBOC directive that banks once again fund state owned enterprises and support the onshore bond market is a meaningful event. Over the last four months we had seen Chinese companies forced into USD issuance at punitive rates, something which had begun to bleed into broader global credit indices. We have spoken in the past on the growing importance of the Asian bid, especially for certain asset types such as USD AT1, USD subordinated debt and Aussie issued USD paper. The re-emergence of this bid acts as a meaningful form of quantitative support for the global credit market, which has been reflected in spread performance over the last month.

Interestingly while credit rallied as a consequence of the re-emergence of liquidity, barometers of Chinese prospects such as copper, Chinese equity and Chinese CDS weakened. This divergence is symbolic of the perverse nature of quantitative easing, which of course transforms something which is inherently negative, (e.g. a trade war between the two largest global economies, which could cost hundreds of billions of dollars) into a positive (eg liquidity for the credit market). Either way, momentum seems to have turned and is likely to carry the market tighter in the short term, the question is of course, for how long?

At a fund level we remain positioned to meet fund objectives at a very low level of absolute volatility, this is a function of product design.

## 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 \$52 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](http://www.realminvestments.com.au/media/4)

### Platform Availability

- Powerwrap
- mFund Settlement Service - mFund code: RLM02

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