

### 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	0.20%	0.12%
3 Month	0.62%	0.37%
6 Month	1.34%	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 34% of the portfolio. RMBS paydowns were offset with the purchase of short dated RMBS.

**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 debt position remained largely unchanged over the month.

**Residential Backed Securities (RMBS) & Asset Backed Securities (ABS):** The allocation remained largely unchanged as paydowns were replaced by seasoned stock. The RMBS allocation increased modestly to 21.95%.

**Targeted risk across the Fund:** Targeted portfolio volatility remained at approximately 0.40. This figure is near enough the long term benchmark. Weighted portfolio credit rating continues to sit at A, with the portfolio yield to maturity rising to 3.44%. The portfolio is positioned to meet its long term objectives of a return of 1.5% to 2% over cash (net of fees).

The Realm Cash Plus Fund (Fund) is a short duration low volatility strategy. The Fund's design of high sector diversity coupled with an weighted credit duration of less than 1.5 years, plus an investment grade only credit quality limit will 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 Fund's focus is to maintain a competitive rate of return versus term deposits while guarding the portfolio against volatility and liquidity risk.

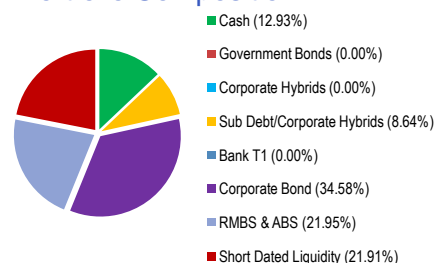
The Realm Investment Team anticipate the market to soften and as this occurs investors will find the portfolio will perform adequately with draw down risk mitigated by tight portfolio limits and portfolio diversity.

### Fund Statistics

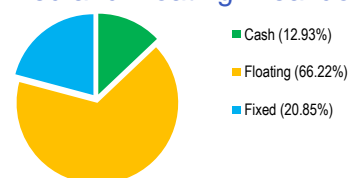
Running Yield	4.00%
Volatility <sup>†</sup>	0.10%
Interest rate duration	0.10
Credit duration	1.28
Average Credit Rating	A
Number of positions	49
Average position exposure	1.58%
Worst Month*	0.20%
Best Month*	0.27%
Sharpe ratio <sup>†</sup>	16.02
Information Ratio <sup>†</sup>	16.35

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

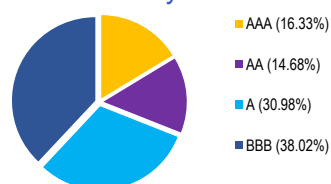
### Portfolio Composition



### Fixed and Floating Breakdown



### Credit Quality



### Maturity Profile



## Market Outlook

The newswires were dominated by trade tensions, as Donald took the early train home from Vancouver leaving his trade “partners” nonplussed before he promptly turned his attention to the Chinese trade deficit, re-stoking trade tensions.

Across the Atlantic we saw a Euro summit which spoke to a Franco-German commitment to the European project while they simultaneously ceded to certain demands of the Italians, specifically relating to immigrant flows and border protection. At the same time Merkel finds herself under rising pressure as the European Union seems to be switching its orientation.

The price of further integration may indeed be the creation of right leaning union which focusses on border integrity and a protection of European values, a familiar Western theme these days.

Rising geo-political tensions and the spectre of protectionism are threatening to derail strong global economic momentum. At the same time, the Chinese crack down on shadow banking and excessive leverage, normalising US rates and the end to ECB corporate bond buying will increasingly create a challenging narrative for global credit in the short to medium term.

This will drive movement at the margin of the portfolio with some of our short dated liquidity moved into RMBS and corporate credit as it matures. This will see our targeted portfolio return move to the top end of our targeted return range.

## 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 \$41 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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