

Fund Objective

The Realm High Income Fund is a fixed income portfolio, that invests in domestic investment grade 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 after franking) of 3% over the RBA cash rate through the market cycle.

Net Performance

Period	Ordinary Units (incl. franking)	Wholesale Units (incl. franking)	RBA Cash Rate Return
1 Month	0.39%	0.43%	0.13%
3 Month	0.79%	0.91%	0.38%
6 Months	1.70%	1.94%	0.76%
1 Year	4.05%	4.52%	1.50%
2 Years p.a	4.69%	5.16%	1.66%
3 Years p.a	4.27%	4.74%	1.84%
4 Years p.a	4.83%	5.30%	2.00%
5 Years p.a	5.46%	N/A	2.17%
Since Inception p.a*	5.58%	5.33%	2.19%

* Past performance is not indicative of future performance. *Ordinary units Inception 26 September 2012. Wholesale units Inception 2 October 2013. Adviser Units Inception 8 September 2016

Fund Update

Cash and Short-Term Liquidity Weighting: ↑ by 2.02% to approximately 44.61%.

Interest Rate Duration Position: → 0.23 years (remaining within band of 0.2 - 0.5 years dictated via the fund's technical overlay). Most of the key events for the month went against the Hawks, with the ECB taking a dovish approach to any tapering, combined with the market taking a view that Trump is leaning towards a moderate for the Fed chairmanship. To top it all off the US treasury is now indicating any tax cuts would be gradual. Our view on the short end of the curve is neutral, we remain moderately bearish the longer end of the curve. Global data momentum remains strong and should maintain pressure on rates to rise from here in the developed world.

Corporate & Subordinated Debt Allocation: ↑ by 1.25% to 30.68%. We increased our exposure to Australian financial senior debt over the month and also added moderate weight to our Vicinity and GPT Shopping exposure (market still paying overs for the Amazon effect), while also adding Ausgrid and selling our exposure to Santos. Record redemptions (maturities) and a benign market is seeing corporate cash particularly well bid. Real disconnect between market technical and fundamentals in the eyes of many. Primary issuance subject to aggressive bidding.

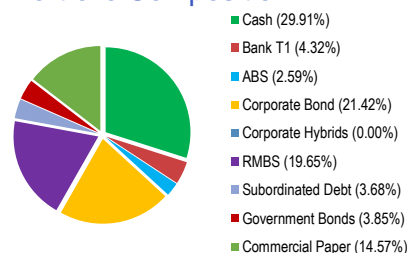
Residential Backed Securities (RMBS): ↓ Exposures reduced moderately to 19.64%. Allocation reduced moderately as positions paid down. Big month for RMBS performance with the majority of market curves marked in significantly. The market remains particularly well bid across all sub-sectors. This has occurred despite this being a record year of issuance. There are currently upward of seven transactions being sounded in the RMBS/ ABS space. Then again the premium offered by structured credit looks particularly attractive when compared to like unsecured risk.

Fund Statistics

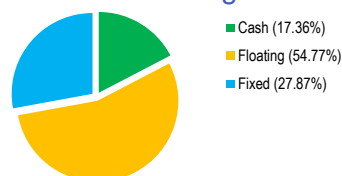
Running Yield	3.82%
Volatility†	0.42%
Interest rate duration	0.24
Credit duration	2.06
Average Credit Rating	A-
Number of positions	153
Average position exposure	0.51%
Worst Month*	-0.47%
Best Month*	1.22%
Sharpe ratio†	3.17
Information Ratio†	3.23

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

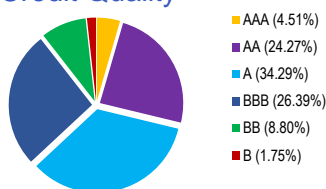
Portfolio Composition



Fixed and Floating Breakdown



Credit Quality



Maturity Profile



Additional Tier 1 (AT1) Exposures: ↑ Increased to 4.32%. Bought in ANZPG over the month, with 5 year AT1 sitting at 300 over, a 60/70 basis point pick up for an extra 2 years looks attractive, although we accept that the market remains dear on our estimation overall. There is likely to be a pick up in issuance through quarter 1 next year, however, going into the Christmas hiatus investors will need to get their fill through the secondary market which will support prices. We also note the launch of an array of products and SMA's that will provide a relatively unconditional bid for this market (however this can turn around very quickly in more volatile times).

Asset Backed Securities (ABS): → Exposures remained at 2.50%. Our portfolio exposure to ABS is highly rated, with an average A rating and held in short duration instruments in well recognised funding programs.

Targeted risk across the Fund → has broadly remained in line with our targeted annualised standard deviation sitting at approximately 0.69%. Targeted standard deviation is generally lower than realised standard deviation in benign environments, such as now. We are attempting to hold our risk exposure at this level which broadly allows us to target a rate of return of 1.5% to 2.5% in excess of cash after fees. We would expect that our targeted level of risk (and as a consequence our return target) where valuations move closer to our fair outlook.

Market Outlook

Focus this month was on the ECB and the new Fed chair appointment. Both of them went the right way for Doves and risk markets generally, with EM delivering a relief rally, equities pushing higher and credit finding new record tights. Draghi delivered a dovish message in line with market expectation, effectively extending QE at a reduced rate. This was in line with generally dovish expectations. Meanwhile Trump seems to be moving away from making a Hawkish choice for the Fed chairmanship. The fear was that bringing in someone that is ideologically motivated could have seen rate normalisation occur at a faster rate thus increasing the risk of market instability. US rates also out-performed on a softening up of the tax talk with Treasury head Munchin speaking to an expectation that tax concessions would occur gradually.

Markets reacted well to this switch in narrative, US dollar strength moderated which put a bid back under emerging markets, credit globally rallied very strongly, global AT1 in particular saw a strong rally into month end. Closer to home a host of maturities coupled with what remains relatively anaemic issuance sees this market under-supplied for credit and overweight cash. Consensus is that credit seems expensive using historic norms. However, equally investors need to maintain returns and it is fair to suggest that cash is burning a hole in their pocket.

Some real danger forming around primary issuance also, new issuance premium seems to be taking on increasing importance within managers strategy, which has a real smell of pass the parcel around it. Investors feel risk building but an absence of credible triggers and a solid global economy is making it hard for investors to form any kind of extreme view. That said you rarely see the thing that changes collective reasoning early. In this environment we remain short and liquid as the pay off for risk continues to look asymmetric in our eyes.

Sector Allocation

Sector	Asset Allocation Range	SAA Target
Cash	0% - 100%	10%
Government Bonds	0% - 100%	10%
Corporate Bonds	0% - 60%	10%
Corporate Hybrids	0% - 10%	5%
Bank Tier 1 Hybrids	0% - 25%	15%
Sub Debt Hybrids	0% - 25%	15%
RMBS	0% - 60%	30%
ABS	0% - 20%	5%

Fund details

Distribution Frequency: Monthly

Liquidity: Daily

Buy/Sell: 0.05% / 0.05%

Direct Minimum Investment:

Ordinary Units - \$25,000

Wholesale Units - \$1,000,000

Adviser Units - \$25,000

Inception Date: 26.9.2012

Fund size: AUD \$330 million

APIR Codes:

Ordinary Units - OMF001AU

Wholesale Units - OMF009AU

Adviser Units - OMF0018AU

Management Fees (inc. GST):

Ordinary Units - 1.20%

Wholesale Units - 0.77%

Adviser Units - 0.77%

Responsible Entity: One Managed Investment Funds Ltd

Custodian: JP Morgan

Unit Pricing and Unit Price History:

www.realminvestments.com.au/media/4

Platform Availability

- BT Wrap
- Credit Suisse
- Crestone
- First Wrap
- Hub24
- Macquarie Wrap IDPS
- Managed Accounts – IAS
- Netwealth
- Powerwrap
- Praemium

Also now available via mFund Settlement Service

Realm Investment House
ABN 34 155 984 955
AFSL 421 336

Level 17
500 Collins St
Melbourne VIC 3000

Email: clientservices@realminvestments.com.au
Website: www.realminvestments.com.au
Tel: 03 8560 7297

DISCLAIMER

Realm Pty Ltd ACN 155 984 955 AFSL 421336 (Realm) is the investment manager of the Realm High Income Fund (ARSN 159 673 533) (Fund). One Managed Investment Funds Limited (ABN 47 117 400 987) (AFSL 297042) is the responsibility entity of the Fund (OMIFL). The information contained in this document was not prepared by OMIFL but was prepared by other parties. While OMIFL has no reason to believe that the information is inaccurate, the truth or accuracy of the information contained therein cannot be warranted or guaranteed. Anyone reading this report must obtain and rely upon their own independent advice and inquiries. Investors should consider the product disclosure statement (PDS) issued by OMIFL before making any decision regarding the Fund. The PDS contains important information about investing in the Fund and it is important investors obtain and read a copy of the PDS before making a decision about whether to acquire, continue to hold or dispose of units in the Fund. You should also consult a licensed financial adviser before making an investment decision in relation to the Fund. A copy of the Ordinary Units and Wholesale Units PDS, Adviser Units PDS, Additional PDS (Dated 05 October 2017) and continuous disclosures may be obtained from <http://oneinvestment.com.au/realm/> or <http://www.realminvestments.com.au/>. Realm believes that the information contained in this document is accurate when issued. Realm does not warrant that such information or advice is accurate, reliable, complete or up-to-date, and to the fullest extent permitted by law, disclaims all liability of Realm and its associates. This document should be regarded as general information only rather than advice. In preparing this document, Realm did not take into account the investment objectives, financial situation and particular needs of any individual person. The information contained in this document must not be copied or disclosed in whole or in part without the prior written consent of Realm, and Realm accept no liability whatsoever for the actions of third parties in this respect. It is presented for informational purposes only and is not to be construed as a solicitation or an offer or recommendation to buy or sell any securities. Any opinions expressed in this document may be subject to change. Realm is not obliged to update the information. The information must not be used by recipients as a substitute for the exercise of their own judgment and investigation. Neither Realm nor any of their directors, employees or agents accept any liability for any loss or damage arising out of the use of all or part of, or any omission, inadequacy or inaccuracy in, this document. OMIFL and Realm do not guarantee the performance of the Fund or the repayment of any investor's capital. To the extent permitted by law, neither OMIFL nor Realm, including their directors, senior executives, employees, consultants, advisers, officers or authorised representatives, are liable for any loss or damage arising as a result of reliance placed on the contents of this document. Realm only provides services to wholesale clients, as defined in section 761G of the Corporations Act. Past performance is not indicative of future performance. Information in this document is current as at 31 October 2017.