

Fund Objective

The Realm Short Term Income 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	RBA Cash Rate
		Return
1 Month	0.17%	0.06%
3 Month	0.53%	0.19%
6 Month	1.17%	0.44%
12 Month	2.91%	1.17%
2 year	2.81%	1.33%
Since Inception	2.81%	1.34%

Fund Update

Cash and Short-Term Liquidity Weighting: ↓ Cash and Short dated liquidity decreased modestly from 27.97% to 26.74%.

Interest Rate Duration Position: ↑ 0.13 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: ↑ Increased modestly to 43.86% from 42.66%. A small amount of senior financial securities were rotated into short dated Australian subordinated debt. The corporate book is very conservatively positioned in short dated senior paper of Australian ADIs, these assets experience very low levels of relative market volatility.

Residential Mortgage Backed Securities (RMBS) & ABS: → Remained in-line with last month. Securitised markets continued to maintain their strong bid with only a handful of deals pricing over the month. Low turnover continues to be seen in the market as investors prefer to hold good quality paper for yield rather than sell. The structured credit portfolio maintains an A+ rating and a weighted average credit duration of 1.83 years. Market performance for prime issuance was strong again in October, with the S&P arrears index (SPIN) improving marginally to 0.93%, while non conforming arrears improved significantly to 3.14%. Major banks strengthened 1bp to 1.20% while regional banks improved 5bps to 1.52%.

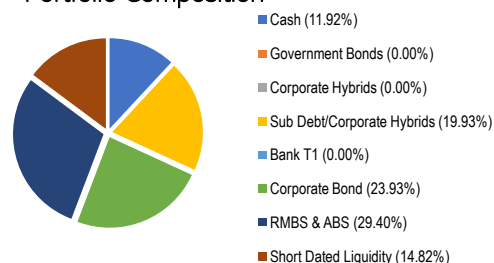
Targeted risk across the Fund: → Targeted risk remained stable at 0.38%, meanwhile realised standard deviation is at 0.14%, which is only marginally wider than the bank bill index. The portfolio remains defensively positioned, despite this the fund has met its return objective over the last 12 months delivering 2.91% after fees. This is evidence that the strategy is well designed, and that it delivers a reasonable premium over cash while maintaining a very tight distribution of returns month on month.

Fund Statistics

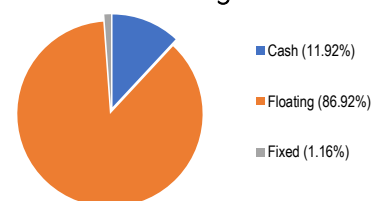
Running Yield	2.73%
Volatility†	0.14%
Interest rate duration	0.13
Credit duration	1.43
Average Credit Rating	A
Number of positions	61
Average position exposure	1.45%
Worst Month*	0.14%
Best Month*	0.34%
Sharpe ratio ^o	25.16
Information Ratio ^o	22.80

Calculated on Ordinary Units unless otherwise stated. *Since Inception 21 December 2017. †Trailing 12 Months Calculated on Daily observations. ^oSince Inception Calculated on Daily observations

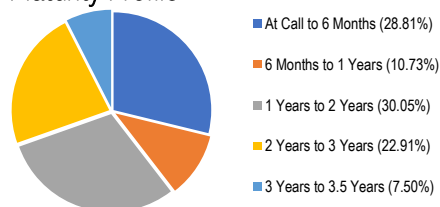
Portfolio Composition



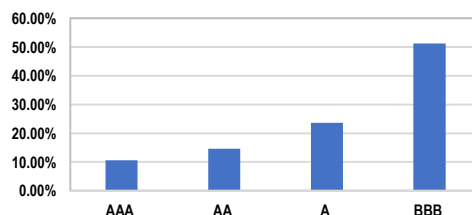
Fixed and Floating Breakdown



Maturity Profile



Credit Quality



Market Outlook

The Realm Short Term Income Fund is a short duration low volatile strategy, providing sector diversity coupled with weighted credit duration of less than 1.5 years. In addition, 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.

The month saw a procession of positive news which drove equity markets higher and credit spreads tighter. A détente in US/Chinese trade negotiations, strong payroll numbers and positive news out of Britain all acted to support market speculation. At the same time government bond markets experienced continued weakness, as the year end sell off has seen US rates rise by over half a percent in the last quarter.

The end of 2020 sees global credit markets trading materially tighter than where the year began. For example, US 10 year BBB spreads have ended the year at levels which have characterised the absolute tights in the post GFC period in early 2014 and late 2017. This speaks to a high level of comfort or market complacency.

So how do you approach a market that is materially less certain and is paying you a lot less than it did on 1 Jan 2019?

The answer is, cautiously.

The anecdotes we hear are clear, low interest rates are hurting and are very likely to drive an increase in risk and speculation, which in-turn will lead to flows into credit remaining healthy.

The approach taken in the Realm Short Term Income fund is particularly conservative, which will see the strategy perform well versus peers in periods of higher volatility, while delivering a rate of return which compares favourably to at call cash accounts and term deposits.

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%	20%

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 \$90 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

Platform Availability

- Hub24
- Netwealth
- Powerwrap
- Praemium
- mFund Settlement Service - mFund code: RLM02

DISCLAIMER

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