

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	0.11%	0.01%
3 Month	0.48%	0.03%
6 Month	1.24%	0.05%
1 Year	2.62%	0.14%
2 Year	2.46%	0.37%
3 Year	2.70%	0.72%
Since Inception	2.71%	0.85%

FUND STATISTICS

Running Yield	2.36%
Yield to Maturity	1.40%
Volatility†	0.29%
Interest rate duration	0.10
Credit duration	1.48
Average Credit Rating	A
Number of positions	116
Average position exposure	0.71%
Worst Month*	0.09%
Best Month*	0.34%
Sharpe ratio ^g	6.36

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

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 \$275 million
APIR Codes:
 Ordinary Units - OMF3725AU
 mFunds Units - OMF8160AU
Management Fees (inc. GST):
 Ordinary Units - 0.33%
 mFunds Units - 0.39%

FUND UPDATE

Cash and Short-Term Liquidity Weighting: ↓ Cash and Short dated liquidity decreased to 31.4% from 33.04%.

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 one year under certain conditions. The strategy will as a rule only take modest interest rate risk.

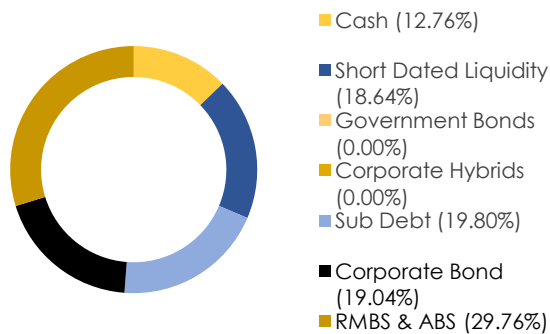
Corporate & Subordinated Debt Allocation: ↑ Increased to 38.84% from 37.16%. Investments were skewed towards corporate bonds and towards optimising credit duration within limits. The corporate book is very conservatively positioned in short dated senior paper of Australian ADIs and investment grade companies - these assets experience very low levels of relative market volatility.

Residential Mortgage-Backed Securities (RMBS) & ABS: → RMBS allocation remained in line at 29.8% over the month as funds remained optimally deployed within the structured credit sector. The portfolio maintains an A average credit rating and a relatively short weighted credit duration of 1.96 years.

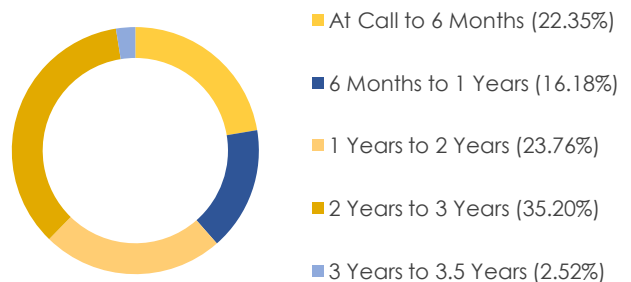
Over the month, there was significantly more issuance than typically seen with 12 new transactions coming to market. This comes as issuers take full advantage of the cheap funding costs available in the public market, as yields continue to compress. The issuance spanned multiple asset classes both domestically and in New Zealand, with a regional transaction, multiple prime and nonconforming transactions, several consumer loan programs and an auto program all issuing over the month. The supply was met with by significant demand as investors continue to see value within the sector, with deals continuing to close days earlier than anticipated and investors receiving a fraction of what was bid for. On a relative basis, we continue to see strong value in securitised assets against other sectors. With respect to market performance, the S&P arrears index (SPIN) for May weakened by 1bp to 0.95%.

Targeted risk across the Fund: ↓ Targeted risk decreased to 0.74% from 0.77%, reflecting the optimisation within portfolio limits. Meanwhile realised standard deviation is at 0.29%. This has risen over the year due to increased volatility in market valuations. The portfolio remains defensively positioned, despite this, the fund has met its return objective over the last 12 months, delivering 2.62% 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. We have introduced Portfolio ESG risk limits which the portfolio remains in compliance with.

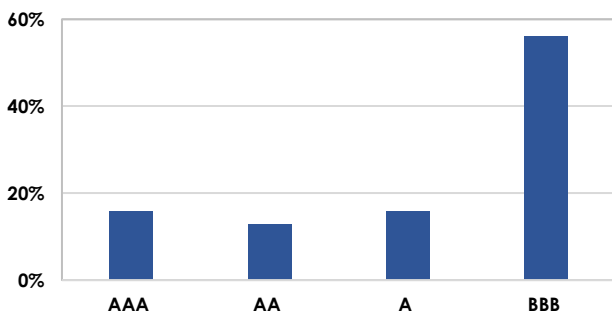
PORTFOLIO COMPOSITION



MATURITY PROFILE



CREDIT QUALITY



MARKET OUTLOOK

Bond and developed market equities performed well during the month. China's interventions in commercial education and tech drained optimism from emerging markets exposures. Commodities were mixed with gold rallying along with bonds whilst China's efforts to reduce steel production significantly impacted the price of iron ore. Bank issuance performed well whilst corporate debt was mixed. Mezzanine tranches of structured securities continued to trade tighter.

The rapidly rising case count for the Delta variant was associated with a significant fall in bond yields. Markets appeared to have lowered their expectations for growth because of the outbreak and real bond yields in Australia reverted to levels which were like that in 2020, when the outlook was poor and risk aversion was extreme, despite concerns for inflation now being generally skewed towards a non-transitory perspective. Central bankers in the US, UK and Australia continued to outline plans for an eventual reduction in quantitative stimulus whilst the cycle has already commenced in Canada, NZ and official rates have already been lifted in some emerging markets where inflation has become problematic. The concerns over near-term supply-side driven inflation becoming more endemic in developed markets appear to be fading a little as core readings remain weak and prices for commodities like lumber and the expected near-term price of shipping, both indicators of supply side frictions, are now reverting quickly towards historical norms. Nonetheless, difficulty of hiring suitable labour remains a key constraint and incentives have been increased but are not expected to be sustained as conditions improve.

A notable change of behaviour has emerged where the mobility of populations is now far less affected by a rise in case counts, in the absence of government interventions, in the US, Europe and UK. In part, this may be because the rate of hospitalisations and deaths is now proportionately lower given the presence of vaccinations. Whilst much of Australia is now locked down again, it appears that vaccine supply will be sufficient to vaccinate the population by the end of the year, possibly reaching the critical 80% threshold in November. Policy makers and corporations in the US and Europe are increasingly using somewhat innovative and coercive methods to accelerate the rate of vaccination and we believe this trend will find a firm footing in Australia and help drive vaccinations to the levels required to complete and sustainably maintain a full economic rebound within 12 months. The RBA's recent projections align with our perspective. Whilst vaccine escape is possible, the development and deployment of boosters will be more efficient than the initial roll-out.

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%

OTHER FUND DETAILS

Responsible Entity: One Managed Investment Funds Ltd

Custodian: Mainstream Funds Services Pty Ltd

Unit Pricing and Unit Price:
<https://www.realminvestments.com.au/our-products>

PORTFOLIO ESG RISK LIMITS

Sector	Direct Exposure	Direct Limit	Indirect Exposure	Indirect Limit
Fossil Fuels	0.0%	0.0%	0.0%	2.5%
Non-Renewable & Nuclear Energy	0.0%	0.0%	0.0%	2.5%
Alcohol	0.0%	0.0%	0.8%	2.5%
Gambling	0.0%	0.0%	0.6%	2.5%
Mining	0.0%	0.0%	0.0%	2.5%

PLATFORM AVAILABILITY

- Australian Money Market
- AMP North
- BT Panorama
- Firstwrap
- Hub24
- Macquarie Wrap
- Netwealth
- Powerwrap
- Praemium
- mFund code: RLM02

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DISCLAIMER

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