REALM SHORT TERM INCOME FUND

APRIL 2023

REALM INVESTMENT HOUSE

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.

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: 21.12.2017

Fund size: AUD $826 million

APIR Codes:

Ordinary Units - OMF3725AU

mFunds Units - OMF8160AU

Management Costs (Net of GST):

Ordinary Units – 0.3075%

mFunds Units – 0.3634%

Zenith RECOMMENDED

NET PERFORMANCE

Period	Short Term Income Fund	RBA Cash Rate Return
1 Month	0.44%	0.29%
3 Month	1.33%	0.84%
6 Month	2.67%	1.59%
1 Year	3.25%	2.35%
3 Year p.a	2.32%	0.87%
5 Year p.a	2.46%	0.99%
Since Inception p.a*	2.49%	1.03%

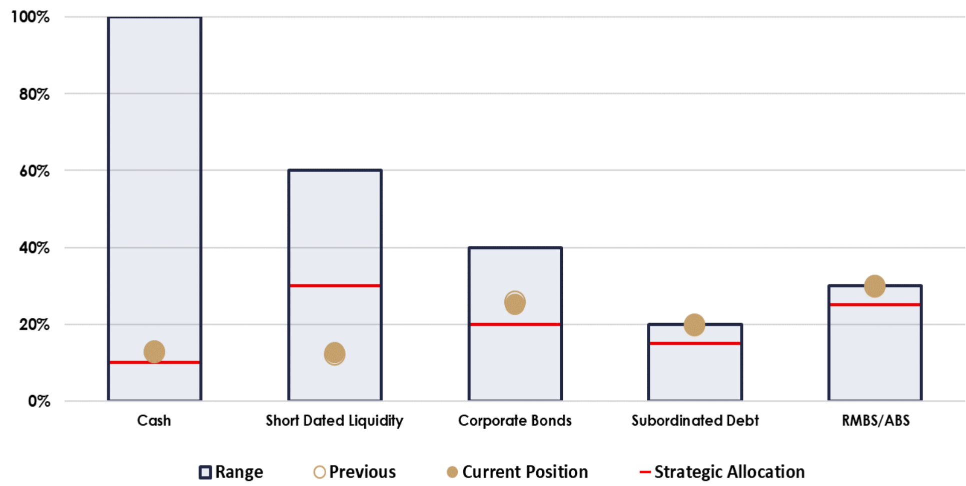
*Past performance is not indicative of future performance. Inception date is 21 December 2017.

FUND STATISTICS

Running Yield	5.12%
Yield to Maturity	5.41%
Volatility†	0.46%
Interest rate duration	0.09
Credit duration	1.43
Average Credit Rating	A
Number of positions	205
Average position exposure	0.34%
Worst Month*	-0.26%
Best Month*	0.58%
Sharpe ratio∂	4.32

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

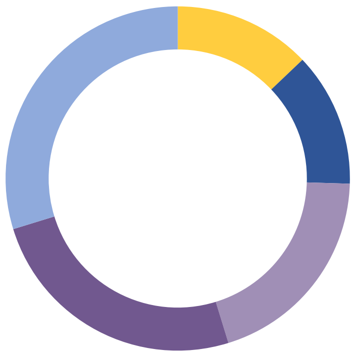
SECTOR ALLOCATION



REALM SHORT TERM INCOME FUND

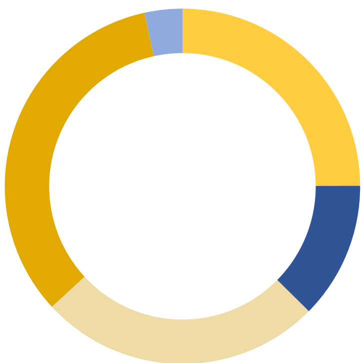
APRIL 2023

PORTFOLIO COMPOSITION



- Cash (12.89%)
- Short Dated Liquidity (12.59%)
- Sub Debt (19.76%)
- Corporate Bond (25.00%)
- RMBS & ABS (29.75%)

MATURITY PROFILE



- At Call to 6 Months (24.95%)
- 6 Months to 1 Years (12.46%)
- 1 Years to 2 Years (25.72%)
- 2 Years to 3 Years (33.42%)
- 3 Years to 3.5 Years (3.44%)

FUND UPDATE

Cash and Short-Term Liquidity Weighting: ↑ Cash and Short dated liquidity increased to 25.48% from 24.88%.

Interest Rate Duration Position: → 0.09 years. The strategy will maintain interest rate duration of approximately 3 months as an average. Having a low IRD number limits the realised volatility and losses in the fund from continued bond market volatility. The strategy will, as a rule, only take modest interest rate risk.

Corporate & Subordinated Debt Allocation: ↓ Decreased to 44.76% from 45.33%. Optimisation within the sector was skewed towards Subordinated debt over Corporate bonds. Corporate bonds continue to present modest relative value over bank senior bonds; and this relative value increased over the month due to primary issuances. Short end Australian Credit spreads were generally stable over the month, with any concerns limited to US regional banks. The short, conservative nature of the sector and diversification aided in cushioning the market volatility over the month.

Residential Mortgage-Backed Securities (RMBS) & ABS: → Allocation to structured credit securities remained inline with last month at 29.75%. As at month end, the portfolio maintained an A- average credit rating and a relatively short weighted credit duration of 1.68 years.

Public structured credit market yields widened over the course of the month in line with other credit markets. Yields remain wide in comparison to historic market spread averages, all subsets of the capital structure widening. Whilst secondary markets were relatively quiet, primary markets saw several new trades issued including regional bank programs, two non-conforming transactions and several auto and personal loan programs. The pipeline of primary transactions remains robust, with a number of new trades looking to price in market over the next few weeks.

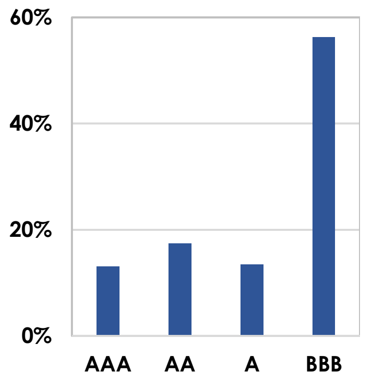
With respect to market performance, Prime arrears as reported by S&P's SPIN index weakened 2bps over the month of March to 0.95%, with nonconforming arrears improving 29bps to 3.70%. Both results remain very strong in comparison to both market expectations and historic index levels.

REALM SHORT TERM INCOME FUND

REALM INVESTMENT HOUSE

APRIL 2023

CREDIT QUALITY



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%	0.16%	2.5%
Gambling	0.0%	0.0%	0.0%	2.5%
Mining	0.0%	0.0%	0.0%	2.5%

OTHER FUND DETAILS

Responsible Entity: One Managed Investment Funds Ltd

Custodian: Mainstream Fund Services Pty Ltd

Unit Pricing and Unit Price: https://www.realminvestments.com.au/our-products/realm-short-term-income-fund/

Targeted risk across the Fund: ↑ Targeted risk decreased to 0.85% from 0.88%, reflecting the decrease in market volatility and optimisation within portfolio limits. Meanwhile, realised standard deviation is at 0.46%. This has risen over the short term due to increased volatility in mark to market valuations. The portfolio remains defensively positioned although despite this, the fund has performed relatively well over the last 12 months, delivering 3.25% after fees. This is evidence that the strategy is well designed, delivering a reasonable premium over cash while maintaining a very tight distribution of returns month on month. The fund remains compliant with the portfolio ESG risk limits.

FUND OUTLOOK

With a yield to maturity exceeding 5%, the portfolio is expected to provide an attractive alternative to term deposits for investors who can tolerate some capital volatility. Portfolio liquidity remains very strong. The portfolio's exposure to interest rate duration remains negligible.

The portfolio has produced stable returns despite the volatility arising from US regional banks. It is fully invested in bonds issued by Australian and New Zealand borrowers, and the domestic currency market was relatively undisturbed. The earnings reports from major banks confirm their excellent financial condition from a credit perspective, further supporting the portfolio's stability. With the Reserve Bank of Australia raising cash rates to 3.85%, the likelihood of reporting a negative monthly return is now far lower than during 2022 where cash rates started the year at 0.1%.

Spreads for investment-grade mezzanine RMBS/ABS notes are favorable, surpassing the top quartile of their 10-year range. Non-conforming mortgage pools in Australia are experiencing a normalization of arrears rates and spreads have become more attractive.

Australian subordinated debt has performed relatively well. Yet despite Australia's relatively favourable economic outlook, Australian corporate bonds have underperformed global markets. The portfolio's corporate bond exposure is substantively focused on financials.

MARKETS AND OUTLOOK

Equity markets were generally stronger over the month although Chinese equities lagged. VIX declined from 18.5 to 15.8, a surprisingly low figure given the prevailing market conditions. Bond yields were largely unchanged in major markets, although UK 10-year bond yields were notably 23bps higher, driven by resilient wage inflation. US 2-year Treasuries traded over a wide 50bps range as the market's sensitivity to economic developments remained elevated. The JPY weakened following the first meeting for the BoJ's Governor Ueda where concerns over an imminent relaxation of yield curve control parameters were allayed. Although OPEC cut production guidance by 1mbpd, oil prices finished close to unchanged on the month. However, copper and iron ore traded lower as demand from China appeared weaker than expected. Investment grade credit markets were stable, trading over a much narrower range than last month. Australian senior bank debt rallied on limited supply.

REALM INVESTMENT HOUSE CONTACTS

DISTRIBUTION

Broc McCauley
T: 0433 169 668
E: broc.m@realminvestments.com.au

Matthew Blair
T: 0424 837 522
E: matthew.b@realminvestments.com.au

Aidan Drentin
T: 0473 515 753
E: aidan.d@realminvestments.com.au

Client Services
T: 03 9112 1150
E: clientservices@realminvestments.com.au

A: LEVEL 17, 500 Collins street
Melbourne VIC 3000

LEVEL 6, 31 Market Street
Sydney NSW 2000

PLATFORM AVAILABILITY

- Australian Money Market
- AMP North
- BT Panorama
- eXpand
- Firstwrap
- Hub24
- Macquarie Wrap
- MLC Navigator/Wrap
- Netwealth
- Powerwrap
- Praemium
- Rhythm
- mFund code: RLM02

OTHER DEVELOPMENTS

In the US, core personal consumption was softer, but was more resilient than expected. Retail sales figures reflected the ongoing shift in consumption patterns from goods to services. Headline CPI benefited from the pass-through effects of lower energy prices. However, the core measure showed much less improvement with the key Core Services ex Shelter measure registering a reading that was similar to that over the prior 5 months. The Employment Cost Index surprised to the high side. Whilst the labour market remains tight, evidence pointing to a rebalancing can be inferred from vacancies and quits data both of which have retraced close to halfway towards pre-Covid levels. The implications are further confirmed by additional lead indicators like temporary help services employment, that have already declined to pre-Covid levels. PMIs indicated ongoing economic resilience.

Signs had emerged that the use of the Fed's emergency liquidity facilities had peaked following the demise of SVB. However, an outbreak of further instability amongst regional banks, including the ultimate sale of First Republic to JP Morgan, saw a further flight towards money market funds. Fed staffers predicted a mild recession, although their conclusions in this regard were not endorsed by the FOMC itself. Fedspeak continued to guide towards additional hikes and higher-for-longer settings although the outlook for credit supply is a key uncertainty. The Beige Book noted a tightening of credit availability which was confirmed by the Fed's Survey of Loan Officers.

The market remains fixed on X-date, the point at which the US may not be able to make scheduled payments to bond holders. Treasury Secretary Yellen indicated this could be as soon as 1 June. One-year sovereign credit default swaps traded at an 11-year high. President Biden announced he would contest the 2024 Presidential election.

Europe's resilience to the gas crisis remains impressive with storage levels well above the five-year average at this time of year. The Flash Q1 GDP was reported at 0.1%, which followed a 0% reading for Q4 2022, avoiding a technical recession by the barest of margins.

China's ongoing recovery was evident in the official PMI non-manufacturing survey which, at 58.2, continues the run of strong expansionary readings this year to date. Retail expenditure significantly outstripped expectations. Credit creation remains robust with long-term loans by the corporate sector driving demand. The troubled property sector is focused on completing pre-purchased homes. Pre-sales have largely recovered for state-owned enterprises but home-buyer confidence in privately owned developers remains highly impaired. The parlous state of balance sheets amongst some major developers is a key downside risk to

REALM INVESTMENT HOUSE CONTACTS

DISTRIBUTION

Broc McCauley
T: 0433 169 668
E: broc.m@realminvestments.com.au

Matthew Blair
T: 0424 837 522
E: matthew.b@realminvestments.com.au

Aidan Drentin
T: 0473 515 753
E: aidan.d@realminvestments.com.au

Client Services
T: 03 9112 1150
E: clientservices@realminvestments.com.au

A: LEVEL 17, 500 Collins street
Melbourne VIC 3000

LEVEL 6, 31 Market Street
Sydney NSW 2000

activity. Plans were announced to curtail steel production, which impacted the price of iron ore. China remains burdened by a youth unemployment rate of 20%.

Australian retail sales are slowing, adding to evidence that household consumption is being wound back. The RBA paused during the April meeting, retaining a hawkish bias but opting to wait for a detailed update to forecasts that would be available for the next meeting. Subsequently, trimmed mean inflation came in softer than expected yet the RBA delivered a surprise hike in May. Concerns over productivity were added to the post-meeting release. Rents, which have risen 11% for the year according to PropTrack, are a source of inflationary concern. The RBA Review produced recommendations to improve the level of transparency and challenge during policy meetings, noting that every decision in at least the last 10 years aligned with recommendations produced by Bank officials.

The impact of rate rises will continue to strengthen as fixed rate mortgages roll off, bringing required payments to record levels as a proportion of household incomes. Despite this, residential property prices rose for a second month, supported by low vacancy rates and higher than expected immigration. The outlook for housing, as drawn from Westpac's Consumer Survey, is much improved and is now above the long-term average. In contrast, business surveys report declining activity off high levels and expectations for this trend to persist. The labour market continued to post strong results, with unemployment at 3.5%.

The Bank of Japan announced its own review which is expected to take between 12-18 months, buying time for the new Governor to determine the next policy moves. In the meantime, forward guidance was removed and forecasts for inflation in the medium term remain below the target of 2% per annum.

Elsewhere, concern is growing for the visible fragmentation of foreign direct investment and settlement currencies into geopolitical blocs. Should this persist, ECB President Lagarde estimated that the impact could be as high as 5% to inflation in the near term accompanied with a weaker production outlook. US Treasury Secretary Yellen called for security to be prioritized over economic growth. Russia's economy is proving to be more resilient than hoped in the face of sanctions. India and China are purchasing 90% of oil exports, leading to an expectation of economic growth this year. A significant escalation of hostilities is expected in Ukraine. Finally, India is now the world's most populous nation.

DISCLAIMER

Realm Investment Management Pty Ltd ACN 158 876 807, a corporate authorised representative (number 424705) of Realm Pty Ltd ACN 155 984 955 AFSL 421336 (Realm) is the investment manager of the Realm Short Term Income Fund (ARSN 622 892 844) (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 carefully consider each of the Product Disclosure Statement dated 29 September 2022 (together with the Additional Information Booklet dated 29 September 2022) (PDS) and Target Market Determination (TMD) issued by OMIFL before making any decision about whether to acquire, or continue to hold, an interest in the Fund. Applications for units in the Fund can only be made pursuant to the application form relevant to the Fund. A copy of the PDS dated 29 September 2022, TMD dated 19 October 2022, continuous disclosure notices and relevant application form may be obtained from https://www.oneinvestment.com.au/realmstif/ or https://www.realminvestments.com.au/our-products/realm-short-term-income-fund/. You should also consult a licensed financial adviser before making an investment decision in relation to the Fund. 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 30 April 2023.

ZENITH DISCLAIMER

The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (assigned June 2021 referred to in this document is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at http://www.zenithpartners.com.au/RegulatoryGuidelines