REALM SHORT TERM INCOME FUND

MARCH 2026

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 $3.99 billion
APIR Codes:
Ordinary Units - OMF3725AU
mFunds Units - OMF8160AU
Management Costs (Net of GST):
Ordinary Units – 0.3075%
mFunds Units – 0.3634%

Zenith RECOMMENDED

5 Highly Recommended Lonsec Research

NET PERFORMANCE

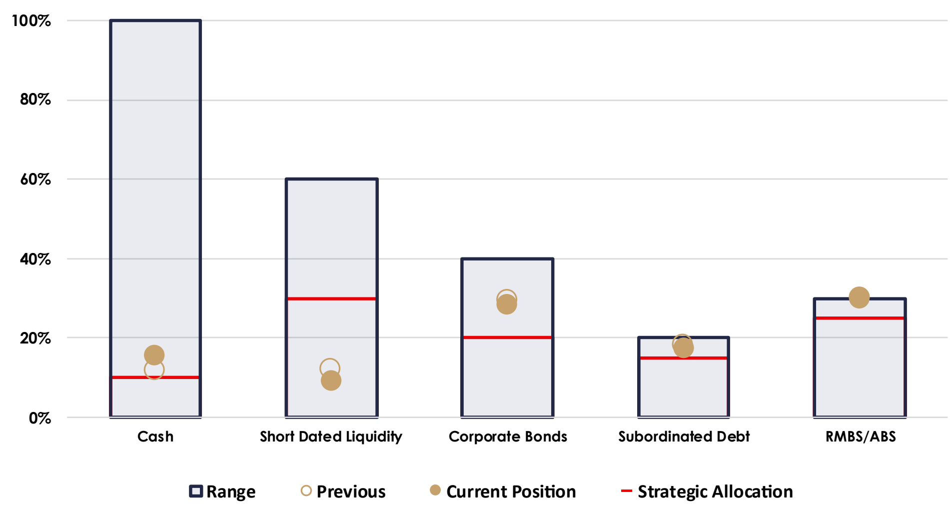
Period	Short Term Income Fund*	RBA Cash Rate Return*
1 Month	0.18%	0.33%
3 Month	0.81%	0.92%
6 Month	1.94%	1.82%
1 Year	4.73%	3.76%
3 Year p.a	6.04%	4.07%
5 Year p.a	4.36%	2.86%
Since Inception p.a*	3.73%	2.09%

FUND STATISTICS

Running Yield	5.62%
Yield to Maturity	5.56%
Volatility†	0.37%
Interest rate duration	0.10
Credit duration	1.40
Average Credit Rating	A
Number of positions	600
Average position exp.	0.14%
Worst Month*	-0.26%
Best Month*	0.72%
Sharpe ratio∂	4.50

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

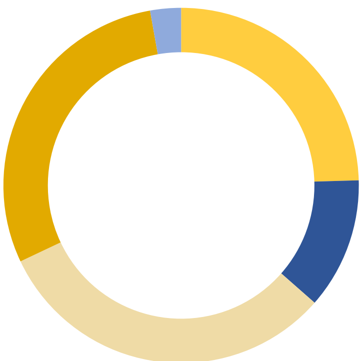
SECTOR ALLOCATION



PORTFOLIO COMPOSITION

- Cash (15.41%)
- Short Dated Liquidity (9.12%)
- Sub Debt (17.30%)
- Corporate Bond (28.30%)
- RMBS & ABS (29.86%)

CREDIT DURATION PROFILE



- At Call to 6 Months (24.54%)
- 6 Months to 1 Years (11.94%)
- 1 Years to 2 Years (31.50%)
- 2 Years to 3 Years (29.23%)
- 3 Years to 3.5 Years (2.80%)

FUND UPDATE

Cash and Short-Term Liquidity Weighting:

↑ Cash and Short dated liquidity increased from 23.22% to 24.53%. Liquidity is maintained meaningfully high as part of core strategy and due to the heightened geo-political events and concerns, cash allocation was modestly increased.

Interest Rate Duration Position:

→ 0.10 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 government bond volatility - a key feature of the Realm Short Term Income Fund. The 3Y Aus government futures yield ended the month 54bps higher at 4.65% and with a volatile intra-month trading range of 56bps. The increase marked the strongest monthly rise in yields since late 2024, reflecting a reassessment of market expectations for the RBA's cash rate trajectory stemming from the closure of the Strait of Hormuz. Higher inflation expectations resulted in a higher expected terminal cash rate. The strategy will, as a rule, only take modest interest rate risk.

Corporate & Subordinated Debt Allocation:

↓ Decreased from 46.96% to 45.60%. Risk reduction within the corporate bond sector was diversified across domestic and global issuers but skewed towards AUD, based on relative value opportunities over the month. Corporate bonds, traditionally, present modest relative value over bank senior bonds due to the rating differential, and this relative value was maintained over the month. Net divestments were diversified across financials and corporates due to conditions and opportunities in the market. Credit spreads globally sold off over the month, initiated by geo-political events. Australian credit spreads slightly outperformed (widened by less) US and European counterparts. US and Israel led strikes on Iran continued to drive market volatility maintaining the "correlated sell-off" in both credit and government bonds. Counter-attacks from Iran on Gulf allies, along with the closure of the Strait of Hormuz led to a violent increase in energy prices – increasing concerns of stagflation and driving credit spreads wider. Risk markets continue to price in a meaningful degree of expected volatility.

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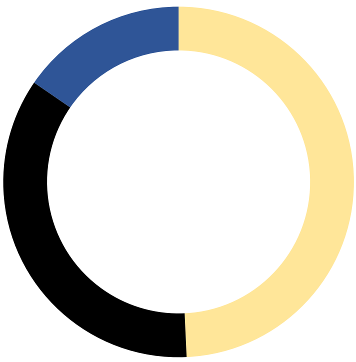
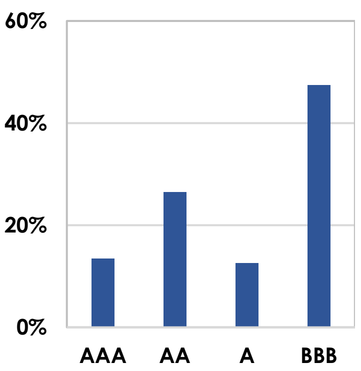
ISSUER DOMICILE



- Australian/NZ Domiciled Issuer (49.27%)
- Foreign Domicilied Issuer (35.32%)
- Cash (15.41%)

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%	0.00%	2.5%
Gambling	0.0%	0.0%	0.0%	2.5%

Subordinated credit spreads also were influenced by the risk-off sentiment and the fund decreased allocations over the month on a nominal basis. The short, conservative nature of the sector and diversification aided in cushioning the intra-month market volatility.

Residential Mortgage-Backed Securities (RMBS) & ABS:

→ Allocation to RMBS & ABS remained in line at 29.86%. As at month end, the allocation remained at a AA- average credit rating and maintains a short weighted credit duration of 1.73 years.

Securitisation markets saw a resumption of primary issuance activity during the month, as the pause triggered by the US–Israel–Iran conflict in late February gave way to renewed deal flow. Several new transactions came to market across conforming and non-conforming RMBS, with investor demand remaining supportive. The initial widening of secondary spreads across the capital structure has since stabilised, with spreads beginning to tighten as selling pressure remained lighter than expected. While a few smaller BWICs were of note, no meaningful activity was observed across the mezzanine stack, and opportunistic bids continued to go unfilled as investors prefer to hold positions rather than accept liquidity bids. The return of new issuance alongside a stable secondary market suggests sentiment is improving, despite the broader macro environment remaining cautious.

With respect to market performance, The latest S&P SPIN Index data for February shows prime arrears softening 2bps to 0.79%, while non-conforming arrears improved 13bps to 3.90%. February data for autos showed arrears remaining steady at 1.30% from the preceding month. Across all collateral segments, performance metrics continue to outperform broader market expectations and remain favourable relative to long-term historical benchmarks.

Targeted risk across the Fund:

↓ Targeted risk decreased from 0.50% to 0.49%. Meanwhile, realised standard deviation is at 0.37%. This has remained stable over the short term due to consistent mark to market valuations and the nature of the high-quality assets within the portfolio. The portfolio remains defensively positioned although despite this, the fund has performed relatively well over the last 12 months, delivering 4.73% 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.

PLATFORM AVAILABILITY

- Australian Money Market
- AMP North
- Asgard
- BT Panorama
- CFS Edge
- IOOF Pursuit/Expand
- Macquarie Wrap
- Mason Stevens
- Netwealth
- HUB24
- Powerwrap
- Praemium
- uXchange
- Xplore Wealth
- mFund code: RLM02

OTHER FUND DETAILS

Responsible Entity: One Managed Investment Funds Ltd

Custodian: State Street Australia Limited

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

FUND OVERVIEW

Financial markets experienced significant volatility in March as geopolitical tensions escalated.

Risk assets sold off as the conflict between the US and Iran intensified, while energy prices surged amid disruptions to the Strait of Hormuz. The resulting energy shock pushed inflation expectations higher, prompting a hawkish repricing of central bank rate expectations.

The S&P 500 recorded its worst month since Liberation Day, falling 5.1%. Asian and European markets recorded larger losses, partly reflecting their greater exposure to imported energy costs. In credit markets, the Bloomberg US Corporate Baa-rated Option Adjusted Spread widened 6bps to 1.10%.

Global bond yields rose sharply over the month on expectations that higher energy prices would lead to higher inflation. The Fed, ECB and BoE all left rates on hold at their policy meetings in March, while the RBA hiked rates by 25bps as expected, albeit in a closely split 5-4 vote.

Oil prices posted their strongest gain in decades, with Brent crude surging 63% and WTI 51%. The US dollar rose 2.4% on safe-haven demand, while gold retreated 11.6% amid the rise in yields.

Against this backdrop, the fund achieved a return of 0.18% in March, underperforming the RBA Cash Rate (0.33%). This was a satisfactory outcome in the conditions.

The portfolio's aggregate settings were little changed over the month and retained overweights to RMBS/ABS, Subordinated Debt and Corporate Bonds, although the latter was trimmed slightly. Cash weights rose further above benchmark as several positions within Short Dated Liquidity matured. Exposures to foreign issuers are most prominent in the Corporate Bond and Subordinated Debt sectors. The portfolio's yield to maturity increased to 5.56% (p5.06%) as market spreads widened.

Expectations for RBA hikes have increased following the escalation in Middle-East tensions. At month end, markets were pricing that the RBA cash rate will rise to around 4.7% by December. This provides a relatively high base level for cash and so the likelihood of recording a negative return over the next six months is remote.

Overall, the portfolio is conservatively postured as we navigate through this period of volatility. With Cash at above-benchmark levels, the portfolio is well-positioned to take advantage of trading opportunities should they arise. Additionally, the Fund's performance is expected to be assisted by optimal roll-down positioning.

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REALM INVESTMENT HOUSE

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