

MAY 2025

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 \$3.20 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	0.62%	0.34%
3 Month	1.11%	1.02%
6 Month	2.66%	2.07%
1 Year	5.87%	4.27%
3 Year p.a	5.60%	3.72%
5 Year p.a	4.06%	2.27%
Since Inception p.a*	3.61%	1.92%

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

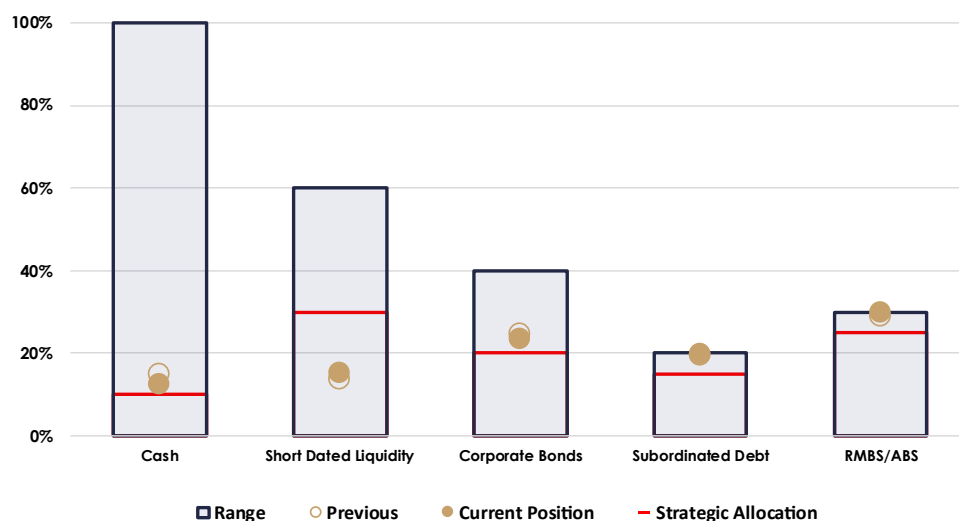
FUND STATISTICS

Running Yield	5.17%
Yield to Maturity	5.15%
Volatility†	0.38%
Interest rate duration	0.10
Credit duration	1.47
Average Credit Rating	A
Number of positions	520
Average position exp.	0.15%
Worst Month*	-0.26%
Best Month*	0.72%
Sharpe ratio [‡]	4.62

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

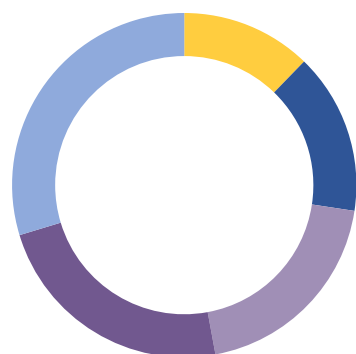
SECTOR ALLOCATION



MAY 2025

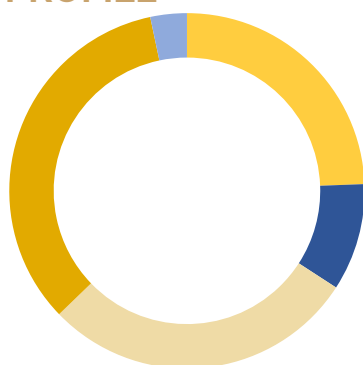
PORTFOLIO

COMPOSITION



- Cash (12.25%)
- Short Dated Liquidity (15.14%)
- Sub Debt (19.71%)
- Corporate Bond (23.21%)
- RMBS & ABS (29.69%)

CREDIT DURATION PROFILE



- At Call to 6 Months (24.40%)
- 6 Months to 1 Years (9.76%)
- 1 Years to 2 Years (28.63%)
- 2 Years to 3 Years (33.90%)
- 3 Years to 3.5 Years (3.32%)

FUND UPDATE

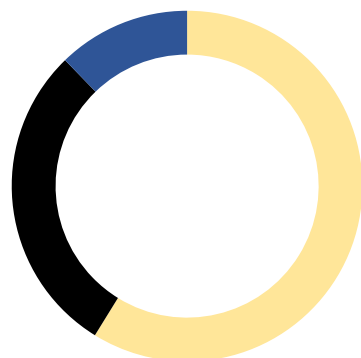
Cash and Short-Term Liquidity Weighting: ↓ Cash and Short dated liquidity decreased from 27.85 % to 27.39%. Liquidity was maintained to mitigate the ongoing uncertainty and volatility from “liberation day” announcements.

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 bond yield ended the month 4bps higher and with a month-on-month trading range of 44bps. The strategy will, as a rule, only take modest interest rate risk.

Corporate & Subordinated Debt Allocation: ↓ Decreased from 43.58% to 42.92%, on the back of raising liquidity within the fund. Subsequent optimisation within the corporate bond sector was skewed towards global issuers in USD 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 investments were slightly skewed towards financials than corporates due to conditions and opportunities in the market. Both corporate and financial sub-sectors in major currencies meaningfully retraced most of the ‘liberation day’ credit spread sell-off. IG credit retraced due to signs of progression with trade-talks, albeit, cautiousness and uncertainty remains. Subordinated credit spreads also retraced in sympathy with general credit market, with US and European securities underperforming domestic issuers. Subordinated debt optimization was skewed towards foreign issuers in major currencies to capitalize on the dislocation. The short, conservative nature of the sector and diversification aided in cushioning the intra-month market volatility.

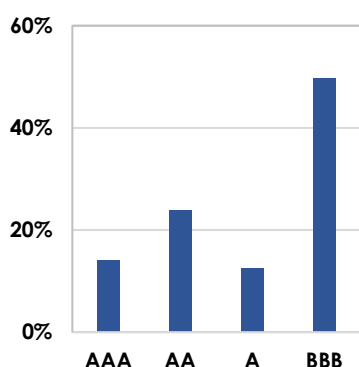
MAY 2025

ISSUER DOMICILE



- Australian/NZ Domiciled Issuer (58.81%)
- Foreign Domiciled Issuer (28.94%)
- Cash (12.25%)

CREDIT QUALITY



PORTFOLIO

ESG RISK LIMITS

Sector	Direct Exposure	Direct Limit	Indirect Exposure	Indirect Limit
Fossil Fuels	0.1%	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%

Residential Mortgage-Backed Securities (RMBS) & ABS: ↓ Allocation to structured credit increased from 28.57% to 29.69%. As at month end, the portfolio maintained an A average credit rating and a relatively short weighted credit duration of 1.64 years.

Yields within Structured credit market tightened over the month alongside other credit markets, however still remain wide of their pre "Liberation Day" tight. Spread tightening over the month was primarily seen throughout the middle mezzanine (A-BBB rated) and junior (Sub investment grade) portions of the capital structure, with tranches oversubscribed by investors looking to replenish stock within their portfolios. Primary markets printed seven new transactions across prime, non conforming and autos, with several other transactions looking to launch over the month of June, as issuers restarted public issuance with more stable market spreads.

With respect to market performance, Prime arrears as reported by S&P's SPIN index for March weakened 2bps to 0.97%. Nonconforming arrears improved 20bps to 4.39%. Arrears on auto loans as reported by S&P for the March weakened to 1.57%. All results remain strong in comparison to both market expectations and historic index levels.

Targeted risk across the Fund: → Targeted risk remained steady at 0.48%, reflecting the increase in liquidity. Meanwhile, realised standard deviation is at 0.38%. This has remained stable over the short term due to consistent mark to market valuations. The portfolio remains defensively positioned although despite this, the fund has performed relatively well over the last 12 months, delivering 5.87% 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.

MAY 2025

PLATFORM AVAILABILITY

- Australian Money Market
- AMP North
- Asgard
- BT Panorama
- CFS Edge
- HUB24
- IOOF Pursuit/Expand
- Macquarie Wrap
- Mason Stevens
- Netwealth
- 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/real-short-term-income-fund/>

FUND OVERVIEW

Risk markets rebounded in May, following an easing of trade tensions between the US and China, the announcement of a framework in negotiations with the UK, and Germany's announcement of a significant step-up in military and infrastructure investment. Equity markets reacted positively to this development, with the S&P 500 (+6.2%) enjoying its best month since November 2023. VIX dropped back below 20, a level that is typically indicative of normal market conditions. Credit markets also rallied, with the Bloomberg US Corporate Baa-rated Option Adjusted Spread tightening 20bps to 1.10%.

The US Treasury market, in contrast, remained under pressure. Concerns around US fiscal sustainability were exacerbated by the passing of the 'One Big Beautiful Bill Act' through the House of Representatives, and by Moody's belated downgrade of the US sovereign credit rating to Aa1. Section 899 of the Act, which allows for retaliatory taxes on US sourced earnings which may also apply to foreign governments, has emerged as a source of event risk.

WTI rose 4.4% to \$60 per barrel amid renewed escalation in the Russia-Ukraine conflict, easing in trade-related concerns, and fluctuating perceptions on the progress of the US-Iran nuclear negotiations.

The Fed, as widely anticipated, left the funds rate unchanged at 4.25-4.5%. The RBA, meanwhile, delivered a 'dovish' rate cut of 25bps to 3.85%, with the Board acknowledging that a 50bp cut had been considered. Whilst the outlook for Australia has become less certain, it remains unlikely to experience a recession. The ECB also cut rates with President Lagarde indicating that the rate cutting cycle is nearing an end. Uncertainty about whether tariffs would result in another round of sticky inflation is front of mind, but markets continue to be driven primarily by the outlook for growth. The replacement for Fed Chair Powell, whose term expires in May 2026, will be announced soon.

The economic outlook for the US was buoyed by a stronger than expected Non-Farm Payrolls outcome. The impact of trade uncertainties was evident in the PMIs which generally showed very subdued outcomes for the month in key economies.

Against this backdrop, the fund achieved a return of 0.62% in May, which exceeded the 0.34% return from RBA Cash.

PLATFORM AVAILABILITY

- Australian Money Market
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- mFund code: RLM02

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Responsible Entity: One

Managed Investment

Funds Ltd

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Australia Limited

Unit Pricing and Unit

Price:

<https://www.realminvestments.com.au/our-products/realm-short-term-income-fund/>

FUND OVERVIEW

The portfolio's aggregate setting was little changed over the month and retains overweights to structured, subordinated and corporate debt, although the latter was trimmed slightly. Cash holdings were also trimmed but remain above benchmark levels. Exposures to foreign issuers are most prominent in the subordinated and corporate debt sectors. The portfolio's yield to maturity declined slightly to 5.15% (p5.27%) as credit spreads tightened during the month.

Following the RBA's dovish rate cut, markets are now pricing that the cash rate will fall from 3.85% to 3.05% by December. Nonetheless, this still provides a relatively high base level for cash and the likelihood of recording a negative return over the next six months is remote.

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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