REALM SHORT TERM INCOME FUND

REALM INVESTMENT HOUSE

OCTOBER 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: $25,000
Inception Date: 21.12.2017
Fund size: AUD $4.43 billion
APIR Code: OMF3725AU
Management Fees (Net of GST): 0.3075%

Zenith RECOMMENDED

Highly Recommended Lonsec Research

NET PERFORMANCE

Period	Short Term Income Fund*	RBA Cash Rate Return*
1 Month	0.31%	0.38%
3 Month	1.13%	1.10%
6 Month	2.61%	2.18%
1 Year	4.72%	4.07%
3 Year p.a	5.85%	4.14%
5 Year p.a	4.78%	3.36%
Since Inception p.a*	3.84%	2.24%

FUND STATISTICS

Running Yield	6.27%
Yield to Maturity	6.28%
Volatility†	0.35%
Interest rate duration	0.10
Credit duration	1.49
Average Credit Rating	A
Number of positions	746
Average position exposure	0.12%
Worst Month*	-0.26%
Best Month*	0.72%
Sharpe ratio∂	4.41

*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

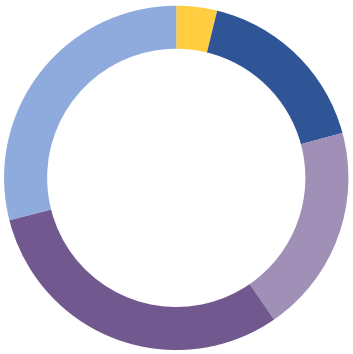


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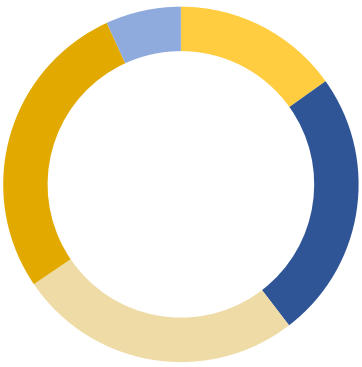
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PORTFOLIO COMPOSITION



- Cash (3.82%)
- Short Dated Liquidity (16.98%)
- Sub Debt (19.58%)
- Corporate Bond (30.67%)
- RMBS & ABS (28.95%)

CREDIT DURATION PROFILE



- At Call to 6 Months (15.14%)
- 6 Months to 1 Years (24.44%)
- 1 Years to 2 Years (25.92%)
- 2 Years to 3 Years (27.64%)
- 3 Years to 3.5 Years (6.85%)

FUND UPDATE

The Realm Short Term Income Fund returned 0.31% net of fees in October, underperforming the RBA Cash Rate (0.38%). Credit spread widening was the primary driver of the Fund's underperformance, while income remained a key contributor.

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. The portfolio's yield to maturity rose to 6.28% (prev. 6.17%) as credit spreads widened.

Expectations for RBA hikes have risen following the upside surprise in Q3 inflation. At month end, markets were pricing that the RBA cash rate will rise to around 4.9% by mid-2027. 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 and remains 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.

PORTFOLIO POSITIONING

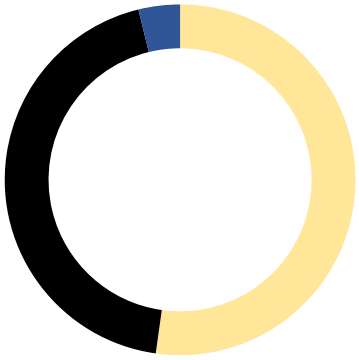
↑ Cash and Short Dated Liquidity increased from 19.02% to 20.80%. Cash balances were reduced to facilitate investment in high-quality securities, as the fund has established repurchase agreement facilities. These arrangements provide immediate access to liquidity when required, reducing reliance on market dynamics for the sale of assets. A substantial proportion of the fund's portfolio consists of repo-eligible securities, and this will remain a key feature of the portfolio's liquidity management framework. Liquidity is maintained meaningfully high as part of core strategy.

REALM SHORT TERM INCOME FUND

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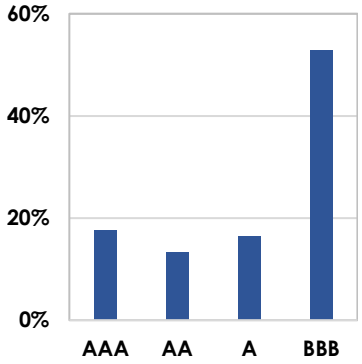
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ISSUER DOMICILE



- Australian/NZ Domiciled Issuer (52.22%)
- Foreign Domicilied Issuer (43.96%)
- Cash (3.82%)

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

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 15bps lower at 4.81% and with a relatively modest trading range of 29bps. Government bond yields were volatile in October as markets weighed persistent inflation, shifting policy expectations and geopolitical risks against safe-haven demand. Higher oil prices and hawkish RBA commentary reinforced inflation concerns and increased expectations of a November rate hike. Resilient US growth and softer labour data complicated the policy outlook, while the Fed held rates and delivered a relatively dovish press conference. Later, concerns over AI investment returns and technology valuations supported a bond rally, particularly at the long end. French bonds underperformed as budget pressures and political instability widened spreads over German Bunds.

Corporate & Subordinated Debt Allocation:

↓ Decreased from 51.65% to 50.25%. Overall, the net decrease was diversified across senior bonds. Optimisation within the corporate bond sector was slightly skewed towards foreign issuers in AUD and 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. Divestments were diversified based on opportunities in the market and to harvest roll-down return. Global credit spreads widened in October as investors demanded greater compensation for credit risk. Persistent inflation and higher oil prices amid Middle-East tensions heightened concerns about restrictive interest rates and corporate funding costs. Heavy high-yield issuance strained demand, while AI-related borrowing intensified competition for capital. Doubts over returns on AI investment, negative free cash flow and elevated leverage drove sharp repricing in technology credit and weakened broader risk appetite. French fiscal uncertainty and political instability added to sovereign risk concerns, spilling into financial-sector credit. Together, supply pressures and heightened financing concerns outweighed otherwise resilient economic activity. The short, conservative nature of the sector and diversification aided in cushioning the intra-month market volatility.

PLATFORM AVAILABILITY

- Australian Money Market
- AMP North
- BT Panorama
- CFS Edge
- HUB24
- IOOF Pursuit/Expand
- Macquarie Wrap
- Mason Stevens
- Netwealth
- Praemium
- Dash / uXchange

OTHER FUND DETAILS

Responsible Entity: One Managed Investment Funds Ltd

Custodian: State Street Australia Limited

Unit Pricing and Unit Price History:

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

Residential Mortgage-Backed Securities (RMBS) & ABS:

→ Allocation to RMBS & ABS remained in line at 28.95%. As at month end, the allocation remained at an AA- average credit rating and maintains a short weighted credit duration of 1.42 years.

October set a new record for deal count, with 21 transactions pricing for approximately A$12.45 billion. That is four more deals than the previous record set in May 2024. It was the largest October on record and the third-largest month overall, behind the last two Septembers. The volume came at a cost to pricing. After a second consecutive month of heavy supply, spreads moved to their widest levels of the year, surpassing the March–April peak. Non-bank prime and non-conforming RMBS seniors widened by around 15bps, to approximately 120bps and 130bps respectively, while auto ABS seniors moved roughly 24bps wider to around 120bps. The repricing was sharper further down the capital structure: La Trobe's A$1.5 billion FCMT 2026-4 priced its Class B notes at 180bps, against 135bps on its August transaction. Heavy BWIC supply weighed on secondary markets for much of the month, before tone improved into month end as wider levels drew buyers. Issuance has slowed sharply in early November, and with the RBA lifting the cash rate to 4.85% we expect a more measured pipeline into year end.

The latest S&P Global Ratings SPIN data is now as at September 2026. Prime arrears rose 2bps to 0.88% from 0.86% in August, on the like-for-like basis that excludes large portfolio sales such as the Cashmere transaction added to the index in August. Non-conforming arrears continued their upward trend, rising 6bps to 3.57%. Across both sectors the increase was most pronounced in the 31–60 day bucket.

Overall, RMBS collateral performance remains resilient, with prime arrears still below 1% and the rise in non-conforming arrears gradual. S&P expects debt-serviceability pressures to persist, with arrears likely to keep rising as elevated interest rates and cost-of-living pressures constrain borrower capacity. It also expects non-conforming arrears to remain elevated for longer, as these borrowers typically find it harder to work their way out of arrears. We continue to monitor the sector closely. On the data to hand, underlying credit performance remains sound.

Targeted risk across the Fund:

↑ Targeted risk increased from 0.40% to 0.41%. Meanwhile, realised standard deviation is at 0.35%. 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 but despite this, the fund has performed relatively well over the last 12 months, delivering 4.72% 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.

MARKET REVIEW

AI financing concerns and geopolitical tensions weighed on financial markets in October.

The NASDAQ Composite index fell 5.3% as concerns over the sustainability of AI capital expenditure drove a sell-off in semiconductor and data centre stocks. In Australia, neocloud operator Firmus withdrew its planned initial public offering amid weak investor demand.

In credit markets, the Bloomberg US Corporate Baa-rated Option Adjusted Spread widened 13bps to 1.11%. Neocloud provider CoreWeave saw its bonds trade at distressed levels, with yields surging above 15%.

Global government bond yields were generally lower over the month, supported by safe-haven demand following the AI-related sell-off. The Fed, ECB and BoJ all left rates unchanged at their policy meetings in October, while the RBA hiked by 25bps in early November after Q3 inflation came in stronger than expected. French yields underperformed, rising over the month as fiscal and political instability weighed. ECB President Lagarde announced her resignation and will step down in February 2027.

Oil prices continued to rise in October as Middle East tensions remained elevated, with Brent crude oil rising 13.6% to $117 per barrel. The US dollar rose 0.4% over the month after US core inflation printed firmer than expected, while gold (-6.8%) dropped below $4000.

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