

REALM GLOBAL HIGH INCOME FUND AUD

MAY 2024

FUND OBJECTIVE

The Realm Global High Income Fund AUD is a fixed income strategy, that invests in global asset backed securities, bank-issued securities and corporate bonds. The objective of the Fund is to deliver investors a consistent return (net of fees and gross of franking) of 2.5 - 3.5% over the RBA cash rate through a market cycle.

FUND DETAILS

Distribution Frequency:

Monthly

Liquidity: Daily

Buy/Sell: 0.05% / 0.05%

Inception Date: 16.11.2023

Management Fees (Net of GST):

0.7175%

Direct Minimum

Investment:

Ordinary Units - \$25,000

NET PERFORMANCE

Period	Global High Income Fund AUD	RBA Cash Rate Return
1 Month	1.44%	0.36%
3 Month	3.63%	1.08%
6 Month	9.11%	2.16%
Since Inception	10.91%	2.32%

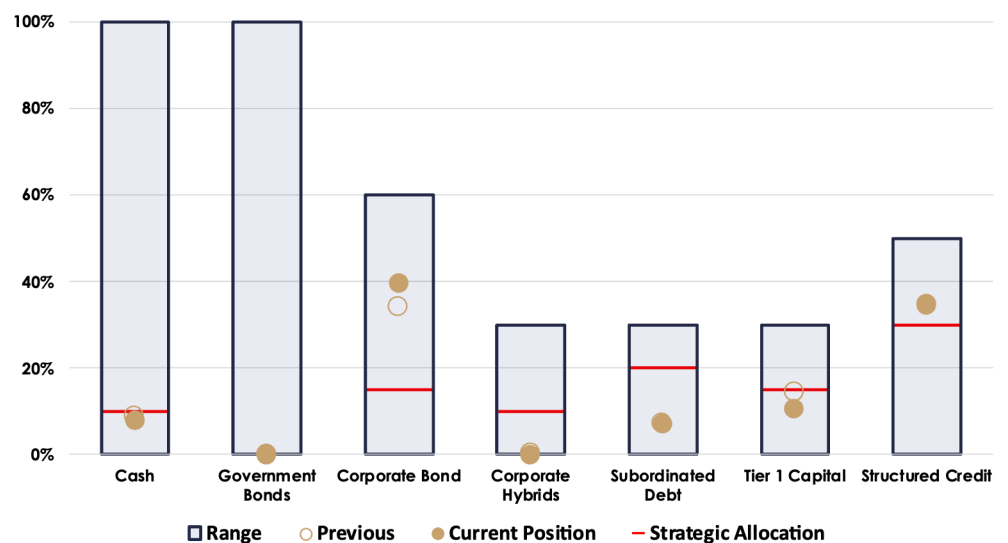
* Past performance is not indicative of future performance.
Inception 16 November 2023.

FUND STATISTICS

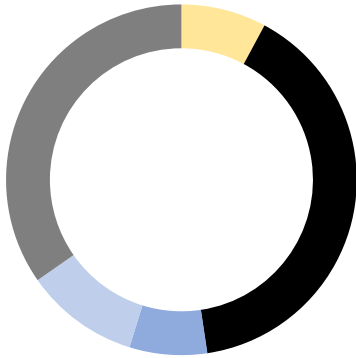
Running Yield	6.54%
Yield to Maturity	6.96%
Volatility†	N/A
Interest rate duration	0.19
Credit duration	3.60
Average Credit Rating	BBB
Number of positions	86
Average position exposure	0.51%
Worst Month*	0.58%
Best Month*	2.22%

†Trailing 12 Months Calculated on Daily observations. *Since Inception Calculated on Daily observations

SECTOR ALLOCATION

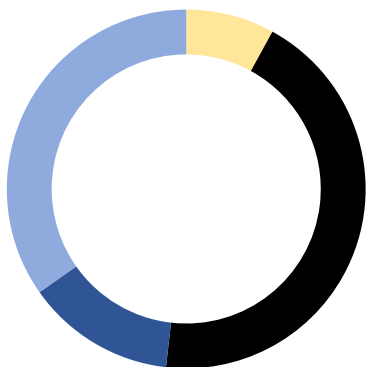


PORTFOLIO COMPOSITION



- Cash (7.86%)
- Corporate Bond (39.78%)
- Corporate Hybrids (0.00%)
- Subordinated Debt (7.15%)
- Tier 1 Capital (10.51%)
- ABS Public (34.70%)

CREDIT DURATION PROFILE



- At Call to 6 Months (7.98%)
- 6 Months to 3 Years (43.82%)
- 3 Years to 5 Years (13.44%)
- 5 Years to 10 Years (34.76%)
- 10 Years + (0.00%)

FUND UPDATE

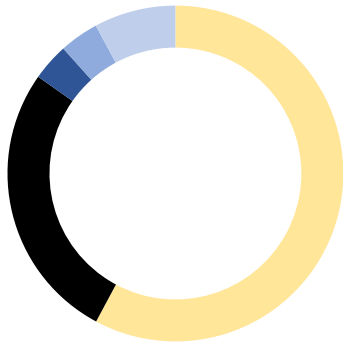
Cash and Short-Term Liquidity: ↓ The allocation to cash decreased from 8.98% to 7.86%. This mainly reflected higher allocations to corporate bonds which was partly offset by lower allocations to T1 capital.

Corporate & Subordinated Debt: ↑ Weighting to corporate bonds and subordinated debt (corporate hybrids and T2 capital) increased from 41.85% to 46.93%. Global credit spreads continued to grind tighter as government bond yields remained elevated. Participation in EUR primary markets saw the allocation to corporate bonds increase over the month, with notable deals from Air France-KLM, Covivio Hotels and Hochtief. The geographic exposure to North America also increased over the month as the fund participated in reverse Yankee deals i.e. EUR bonds issued by US companies, from WP Carey, American Tower and Warner Media.

Tier 1 Capital: ↓ Weighting to T1 capital decreased from 14.54% to 10.51%. Global T1's outperformed over the month of May, providing the opportunity to further reduce allocations to the sector. The strength of the global AT1 market has been supported by global banks calling/redeeming their bonds on the first call date and even engaging in liability management exercises to tender bonds early and at a premium. Global T1 primary markets were active with notable deals from NatWest, Santander, Erste, and Barclays. The fund did not participate in any of the new deals based on valuations.

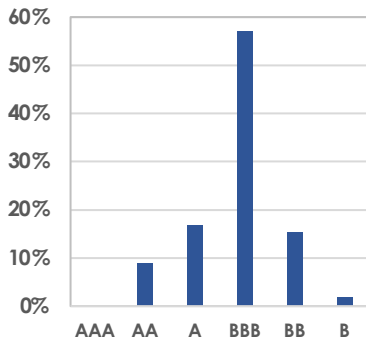
Structured Credit (ABS/CLO): ↓ ABS/CLO weighting marginally reduced over the month from 34.76% to 34.70%. Once again CLO spreads continued to move tighter over May across the capital stack in both the US and Europe. Notably spreads in primary moved closed the gap to secondary despite the quantity of issuance still hitting the markets. As has been the theme in 2024, reset and refinancing activity remains a large component of this activity. Supply continues to be well absorbed, with investors replacing amortising and refinanced holdings. US CLO CCC concentrations moderated over May, with the median falling 0.1% to 5.8% in the US, and Europe rising by the same amount to 3.8%. The Morningstar LSTA US Leveraged Loan index gained 29c to 96.93, and in Europe the index had another strong month adding 96c to finish at 97.16. Loan new issue continues to be largely refinancings and repricings, with a component of add-on transactions; a number of M&A-related new issues continue surfacing occasionally, bringing much-needed new money into the loan market.

GEOGRAPHIC EXPOSURE



- Europe (57.83%)
- North America (26.94%)
- United Kingdom (3.59%)
- Australian/NZ (3.78%)
- Cash (7.86%)

CREDIT QUALITY



PORTFOLIO ESG RISK LIMITS

Sector	Portfolio Exposure	Portfolio Limit
Fossil Fuels	0.72%	10%
Non-Renewable & Nuclear Energy	0%	10%
Alcohol	0.00%	10%
Gambling	0.00%	10%

Interest Rate Duration Position: ↓ IRD positioning decreased slightly from 0.22 to 0.19 years. May was a month of relatively lower volatility with US government bonds outperforming Australia. US payrolls report, which came in softer than expected, along with an inline CPI report contributed to yields compressing over the month. Strong PMI data and weak treasury auction results failed to materially increase yields. Domestically, a higher-than-expected unemployment rate, along with a strong monthly CPI print contributed to government bond volatility - resulting in the 10-year government bond yield ending the month 1bp lower. In lieu of material market movements and the term premium and relative value on offer from credit instruments outweigh those offered by global government bonds, and as a result, the IRD of the portfolio was maintained at a minimum level.

Targeted risk across the Fund: ↓ Targeted portfolio risk decreased from 1.90% to 1.85%. This was partly driven by the rotation of T1 capital to higher quality senior corporate bonds; resulting in modest increases to credit duration (from 3.58 years to 3.60 years). Interest rate duration reduced slightly over the month (from 0.22 years to 0.19 years).

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PLATFORM AVAILABILITY

- Netwealth IDPS
- Powerwrap
- Australian Money Market (AMM)

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-global-high-income-fund/>

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