REALM HIGH INCOME FUND

DECEMBER 2024

REALM INVESTMENT HOUSE

FUND OBJECTIVE

The Realm High Income Fund is a fixed income strategy, that invests in domestic asset backed securities, bank-issued securities and corporate & government bonds. The objective of the Fund is to deliver investors a consistent return (net of fees and gross of franking) of 3% over the RBA cash rate through a market cycle.

FUND DETAILS

Distribution Frequency: Monthly
Liquidity: Daily
Buy/Sell: 0.05% / 0.05%
Inception Date: 26.9.2012
Fund size: AUD $2.13 billion
Management Fees (Net of GST):
Ordinary Units - 1.1182%
Wholesale, Adviser, & mFunds Units - 0.7175%
Direct Minimum Investment:
Ordinary, Adviser Units - $25,000
Wholesale Units -$1,000,000
mFund Units - $10,000

Zenith RECOMMENDED

Recommended Lonsec Research

NET PERFORMANCE

Period	Ordinary Units (incl. franking)	Wholesale Units (incl. franking)	RBA Cash Rate Return
1 Month	0.73%	0.76%	0.36%
3 Month	2.17%	2.26%	1.08%
6 Months	4.33%	4.54%	2.16%
1 Year p.a.	9.62%	10.07%	4.35%
3 Years p.a	6.45%	6.88%	3.16%
5 Years p.a	5.28%	5.74%	1.97%
10 Years p.a	4.56%	5.01%	1.79%
Since Inception p.a*	5.08%	5.23%	1.95%

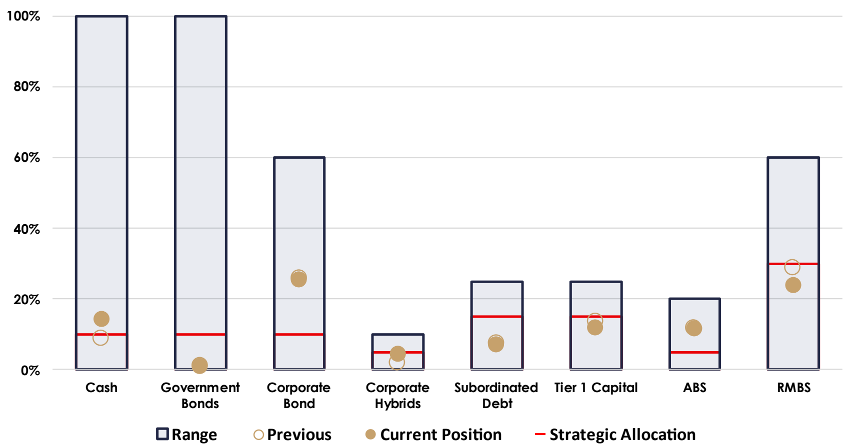
* Past performance is not indicative of future performance. *Ordinary units Inception 26 September 2012. Wholesale units Inception 2 October 2013.

FUND STATISTICS

Running Yield	5.89%
Yield to Maturity	6.15%
Volatility†	1.54%
Interest rate duration	0.38
Credit duration	2.72
Average Credit Rating	A-
Number of positions	376
Average position exposure	0.15%
Worst Month*	-1.99%
Best Month*	2.09%
Sharpe ratio∂	2.22

Calculated on Ordinary Units unless otherwise stated. *Since Inception 26 September 2012.
†Trailing 12 Months Calculated on Daily observations. ∂Since Inception Calculated on Daily observations

SECTOR ALLOCATION



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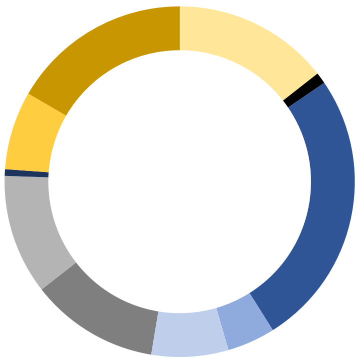
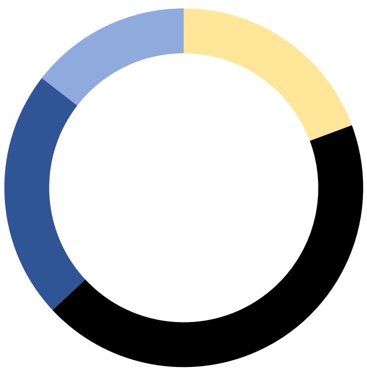
PORTFOLIO COMPOSITION



- Cash (14.42%)
- Government Bonds (1.04%)
- Corporate Bond (25.61%)
- Corporate Hybrid (4.43%)
- Subordinated Debt (7.11%)
- Tier 1 Capital (11.85%)
- ABS Public (11.07%)
- ABS Private (0.61%)
- RMBS Private (7.24%)
- RMBS Public (16.62%)

CREDIT DURATION PROFILE



- At Call to 6 Months (19.33%)
- 6 Months to 3 Years (43.73%)
- 3 Years to 5 Years (22.41%)
- 5 Years to 10 Years (14.52%)
- 10 Years + (0.00%)

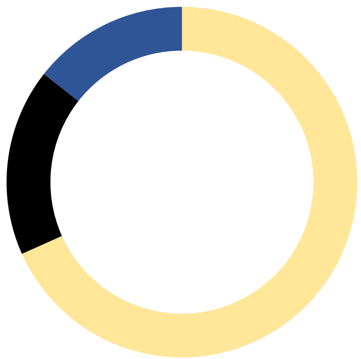
FUND UPDATE

Cash and Short-Term Liquidity: ↑ The allocation to highly liquid assets (cash and government bonds) increased from 9.98% to 15.46%. This reflected reduced allocations in RMBS/ABS, Tier 1 capital, subordinated debt and corporate bonds, which was partly offset by a higher allocation to corporate hybrids.

Corporate Bond, Corporate Hybrids & Subordinated Debt: ↑ Weighting to corporate bonds, corporate hybrids and subordinated debt increased from 35.52% to 37.15%. Credit spreads ended the month tighter, reversing the widening trend observed in the last two weeks of November. The fund took profit in Tier 1 capital, subordinated debt and existing corporate bond holdings, with proceeds reinvested into new corporate hybrids from Ampol and Pacific National and a senior unsecured offering from Qube Holdings. Following these transactions in early December, primary activity moderated as expected ahead of the Christmas holidays.

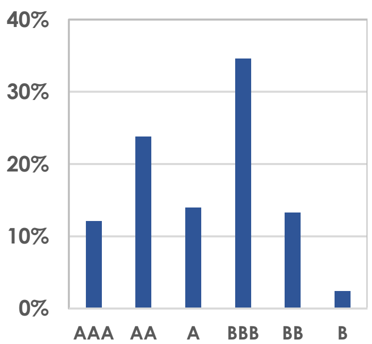
Interest Rate Duration Position: ↓ IRD positioning decreased from 0.50 to 0.38 years. Government bond market volatility increased in the month of December with the US 10-year exhibiting a 51bp trading range and ending the month 33bps higher. The United States was underpinned by strong eco data - namely stronger than expected core CPI figures, while flash PMIs surprisingly alluded to strength in all major markets. The federal reserve cut the cash rate by 25bp while the dot plot projections were interpreted as hawkish influencing higher bond yields. Domestically, a weaker than expected GDP figure and dovish press conference by the Central Bank governor led to the Australian 10-year bond trading below the US counterpart. Global geopolitical events in the form of the declaration of South Korean martial law and the instability of the French government contributed to volatility. However, a reduction of overall credit risk in the portfolio led to the IRD position decreasing commensurately.

ISSUER DOMICILE



- Australian/NZ Domiciled Issuer (68.29%)
- Foreign Domicilied Issuer (17.29%)
- Cash (14.42%)

CREDIT QUALITY



PORTFOLIO ESG RISK LIMITS

Sector	Portfolio Exposure	Portfolio Limit
Fossil Fuels	4.60%	10%
Non-Renewable & Nuclear Energy	0.00%	10%
Alcohol	0.10%	10%
Gambling	0.10%	10%

Residential Mortgage-Backed Securities (RMBS): ↓ Weighting to RMBS securities decreased from 28.60% to 23.86% over the month. Structured credit markets continued to tighten alongside credit markets over the course of the month, with the final transactions for the year looking to price prior to Christmas. Transactions remained very well bid into year end with limited secondary supply, as investors continue to hold bonds rather than sell to the market and risk not being able to refill their positions over the Christmas break. New transactions priced over a variety of sub asset classes including Autos, prime and non-conforming RMBS, with a several transactions lining up to look to issue early into the new year.

With respect to market performance, Prime arrears as reported by S&P's SPIN index for October improved 3bps to 0.87%. Nonconforming arrears improved 12bps to 3.89%. Arrears on auto loans as reported by S&P for the November period weakened 16bps to 1.33%. All results remain strong in comparison to both market expectations and historic index levels.

Tier 1 Capital: ↓ Weighting to T1 capital decreased from 13.69% to 11.85%. Global T1 performance was mixed for the month with EUR T1's outperforming USD T1's. Notably, French bank and insurance names reversed the widening trend in the last two weeks of November in line with Subordinated Debt moves. The fund's earlier increased exposure to EUR French T1s paid off, as the market shrugged off French geopolitical risks, driving a strong recovery in spreads. Primary T1 issuance slowed to just two notable deals, which the fund avoided, deeming spreads at YTD tights unattractive amid the new issuance pipeline in the new year. Domestically, the fund increased its exposure to ASX T1's as valuations remained compelling despite APRA confirming its phase out of Bank T1 capital. The phase in period of seven years is expected to be orderly with T1 capital to be replaced with T2 capital.

Asset Backed Securities (ABS): ↓ ABS allocation decreased from 11.83% to 11.68%. These assets are typically very short dated, continue to offer healthy yields and remain highly sought after by market participants.

Targeted risk across the Fund: ↓ Targeted portfolio risk decreased from 1.44% to 1.39%. This reflected a movement lower in interest rate duration from 0.50yrs to 0.38yrs concurrent with a movement lower in credit duration from 2.90yrs to 2.72yrs.

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PLATFORM AVAILABILITY

- Australian Money Market (Retail Units)
- AMP North
- BT Wrap
- BT Panorama
- Credit Suisse
- Crestone
- First Wrap
- HUB24
- Macquarie Wrap
- Mason Stevens
- MLC Navigator/Wrap
- Netwealth
- Powerwrap
- Praemium
- uXchange
- Xplore Wealth
- mFund: RLM03

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/ourproducts/Realm-high-income-fund/

FUND OVERVIEW

The portfolio produced a favourable outcome (0.76%) over the month, which was comfortably ahead of the reference cash rate (0.36%). Contributions to the outperformance were well balanced across AT1, corporate bonds and structured credit.

The portfolio's yield to maturity declined (6.15%pa prev 6.53) as Australian corporate spreads narrowed and also through portfolio trading activity. Interest rate duration remained relatively low at 0.38yrs which limited the impact of rising yields over the month. We will extend the IRD as the Australian yield curve steepens and improves the reward for taking interest rate risk.

Credit duration was tightened further (2.72yrs p2.90) and the portfolio retained an A- rating. It remains very conservatively positioned given the historically tight spreads presently available across the relevant asset classes.

The portfolio's exposure to corporate hybrids increased via five issuers operating across several economic sectors within Australia. This exposure is close to benchmark (4.4% vs 5%).

The portfolio is significantly overweight in Corporate Bonds and ABS. The Corporate Bond sector exposure has a lower credit duration (~3.5yrs) and higher credit quality (BBB+) than we expect to have over the longer term. The exposures are largely held in property related, infrastructure, and financial services (non-bank) issuers.

The overall portfolio is conservatively postured as we believe credit spreads will be wider over the coming year. The A- overall credit quality is secure. The sub-IG exposures are distributed across different asset classes. Foreign issuer exposures are largely held in European AT1 and US structured credit.

REALM INVESTMENT HOUSE CONTACTS

LEVEL 17, 500 Collins Street
Melbourne VIC 3000

LEVEL 6, 31 Market Street
Sydney NSW 2000

DISTRIBUTION

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

Finbarr Warren
T: 0405 543 196
E: finbarr.w@realminvestments.com.au

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

John Hawkins
T: 0408 841 886
E: john.h@realminvestments.com.au

Rhys Kostopoulos
T: 03 9112 1150
E: rhys.k@realminvestments.com.au

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- Xplore Wealth
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FUND OVERVIEW

With credit spreads near multi-decade lows and an expectation that there will be headwinds to credit performance in the coming year, it remains unlikely that the portfolio will achieve its target in the near term. However, Realm's investment approach tends to create significant value when markets are volatile. There are a wide range of stress points presently visible in the economy and geopolitical arena, including the inauguration of Trump later this month. Given the conservative portfolio settings and relatively high starting point for cash rates, the likelihood of a negative return in the coming 12-months is low.

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