

MARCH 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 \$2.98 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  
Lonsac Research

## NET PERFORMANCE

Period	Short Term Income Fund*	RBA Cash Rate Return*
1 Month	0.41%	0.34%
3 Month	1.46%	1.03%
6 Month	2.97%	2.11%
1 Year	6.29%	4.31%
3 Year p.a	5.34%	3.50%
5 Year p.a	3.99%	2.14%
Since Inception p.a*	3.59%	1.87%

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

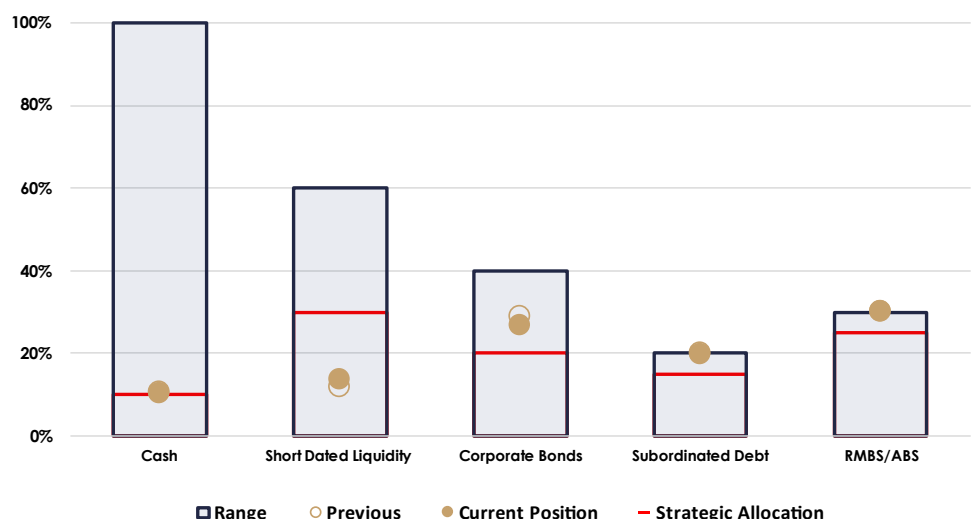
## FUND STATISTICS

Running Yield	5.37%
Yield to Maturity	5.38%
Volatility†	0.34%
Interest rate duration	0.10
Credit duration	1.46
Average Credit Rating	A
Number of positions	501
Average position exp.	0.14%
Worst Month*	-0.26%
Best Month*	0.72%
Sharpe ratio <sup>‡</sup>	4.78

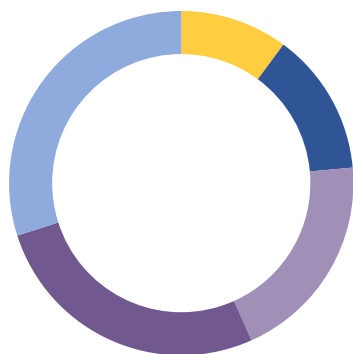
Calculated on Ordinary Units unless otherwise stated. \*Since Inception 21 December 2017.

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

## SECTOR ALLOCATION

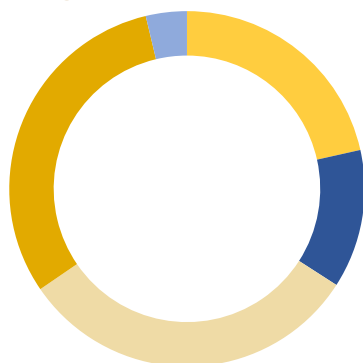


## PORTFOLIO COMPOSITION



- Cash (10.11%)
- Short Dated Liquidity (13.45%)
- Sub Debt (19.75%)
- Corporate Bond (26.77%)
- RMBS & ABS (29.93%)

## CREDIT DURATION PROFILE



- At Call to 6 Months (21.49%)
- 6 Months to 1 Years (12.61%)
- 1 Years to 2 Years (31.35%)
- 2 Years to 3 Years (30.82%)
- 3 Years to 3.5 Years (3.73%)

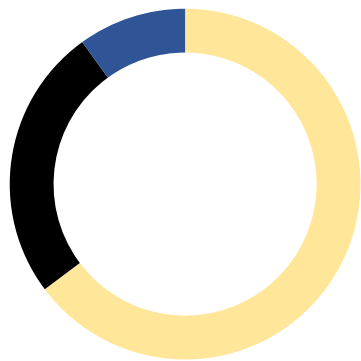
## FUND UPDATE

**Cash and Short-Term Liquidity Weighting:** ↑ Cash and Short dated liquidity increased from 21.75 % to 23.56%.

**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 3bps lower, albeit with a month-on-month trading range of 24bps. The strategy will, as a rule, only take modest interest rate risk.

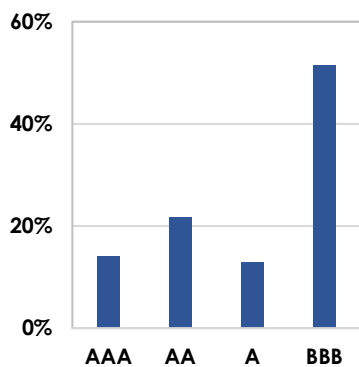
**Corporate & Subordinated Debt Allocation:** ↓ Decreased from 48.33% to 46.52%. Optimisation within the corporate bond sector was skewed towards domestic issuers in AUD based on relative value opportunities over the month. Corporate bonds, traditionally, present modest relative value over bank senior bonds due to the rating differential; and this relative value was maintained over the month. Investments were mostly balanced between corporate bonds and financials due to conditions and opportunities in the market. Corporate and financial sub-sectors in both USD and EUR slightly underperformed the AUD counterparts over the month of March, due to the uncertainty around Trump's Tariffs. Credit continued to be well supported over the month due to a healthy global economic backdrop, albeit, cautiousness and uncertainty remained. Subordinated debt optimisation was also skewed towards domestic issuers in AUD. Subordinated credit spreads increased over the month, with US and European securities underperforming domestic issuers. The short, conservative nature of the sector and diversification aided in cushioning any intra-month market volatility.

ISSUER DOMICILE



- Australian/NZ Domiciled Issuer (64.77%)
- Foreign Domiciled Issuer (25.26%)
- Cash (9.98%)

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 remained steady at 29.93%. As at month end, the portfolio maintained an A+ average credit rating and a relatively short weighted credit duration of 1.68 years.

Structured credit markets remained very busy over the course of the month with several transactions looking to issue into tight markets. Transactions ranged from prime to nonconforming with auto ABS transactions also mandating prior to month end. All deals continue to attract substantial investor demand, with senior spreads continuing to tighten alongside very high levels of oversubscription on all tranches in the capital structure, especially mezzanine (A-BBB rated) and junior mezzanine (Sub investment grade) tranches.

With respect to market performance, Prime arrears as reported by S&P's SPIN index for January weakened 4bps to 0.91%. Nonconforming arrears weakened 15bps to 4.33%. Arrears on auto loans as reported by S&P for the February period improved 9bps to 1.39%. All results remain strong in comparison to both market expectations and historic index levels.

**Targeted risk across the Fund:** → Targeted risk remained steady at 0.60%, reflecting the optimisation within portfolio limits. Meanwhile, realised standard deviation is at 0.34%. 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 6.29% 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.

FEBRUARY 2025

## PLATFORM AVAILABILITY

- Australian Money Market
- AMP North
- BT Panorama
- CFS Edge
- Expand
- HUB24
- Macquarie Wrap
- Mason Stevens
- MLC Navigator/Wrap
- Netwealth
- Powerwrap
- Praemium
- Rhythm
- 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 OUTLOOK

The Fund achieved a return of 0.41%, which exceeded the 0.34% return from RBA Cash.

The portfolio's aggregate settings were little changed over the month and retains overweights to structured, subordinated and corporate debt as it targets the highest forecast returns achievable within the established parameters. Exposures to foreign issuers are most prominent in the subordinated and corporate debt sectors. The portfolio's yield to maturity declined slightly to 5.38% (p5.52%).

The recent escalation in global trade tensions has seen rate cut expectations rise for central banks. In Australia, markets are presently pricing that the cash rate will fall from 4.1% to 2.9% 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.

Credit spreads have begun widening from recent tightness, including for high quality credit. This will create opportunities for the Fund, which seeks to benefit from periods of market volatility via relative value trading. Additionally, the Fund's performance is expected to be assisted by optimal roll-down positioning.

### PLATFORM AVAILABILITY

- Australian Money Market
- AMP North
- BT Panorama
- CFS Edge
- Expand
- HUB24
- Macquarie Wrap
- Mason Stevens
- MLC Navigator/Wrap
- Netwealth
- Powerwrap
- Praemium
- Rhythm
- 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-](https://www.realminvestments.com.au/our-products/realm-short-term-income-fund/)

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

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

### OTHER COMMENTS

As credit spreads are relatively tight, markets are vulnerable to shocks and this skews risks to the downside. The outlook for growth and markets is being driven by the Trump Administration's tariff policies and expected reactions to these from elsewhere. Germany's decision to significantly increase spending on defence and infrastructure was a significant development, and China also announced its intention to support its 'around 5%' growth goals. In the UK, the government response is constrained by Chancellor Reeves' fiscal rules and the situation is adding to pressure on Gilts. Bond and currency volatility are elevated for such reasons.

The sharp swings in policy positions have adversely affected consumer and business confidence. Inflation expectations have surged in surveys, but longer-term inflation expectations priced into financial markets remain well anchored. Judgments on the stickiness of inflation which may arise from tariffs is a key uncertainty for central banks and the outlook for the rate path, however markets have been more focused on growth rather than the inflation outlook.

To some extent, these developments are welcome. Realm's investment process favours the opportunity to rotate into relatively cheap markets and securities when pricing differentials amongst them are wider than usual, as happens when uncertainty rises.

#### REALM INVESTMENT HOUSE CONTACTS

##### DISTRIBUTION

**Broc McCauley**  
Head of Distribution  
T: 0433 169 668  
E: [broc.m@realminvestments.com.au](mailto:broc.m@realminvestments.com.au)

**Matthew Blair**  
Senior Distribution Manager  
NSW/QLD  
T: 0424 837 522  
E: [matthew.b@realminvestments.com.au](mailto:matthew.b@realminvestments.com.au)

**John Hawkins**  
Distribution Manager  
VIC/WA  
T: 0408 841 886  
E: [john.h@realminvestments.com.au](mailto:john.h@realminvestments.com.au)

**Finbarr Warren**  
Distribution Analyst  
NSW/SA/TAS  
T: 0405 543 196  
E: [finbarr.w@realminvestments.com.au](mailto:finbarr.w@realminvestments.com.au)

**Rhys Kostopoulos**  
Client Services  
T: 03 9112 1150  
E: [rhys.k@realminvestments.com.au](mailto:rhys.k@realminvestments.com.au)

LEVEL 17, 500 Collins Street  
Melbourne VIC 3000

LEVEL 6, 31 Market Street  
Sydney NSW 2000

MARCH 2025

## DISCLAIMER

Realm Investment Management Pty Ltd ACN 158 876 807, a corporate authorised representative (number 424705) of Realm Pty Ltd ACN 155 984 955 AFSL 421336 (Realm) is the investment manager of the Realm Short Term Income Fund (ARSN 622 892 844) (Fund). One Managed Investment Funds Limited (ABN 47 117 400 987) (AFSL 297042) is the responsibility entity of the Fund (OMIFL). The information contained in this document was not prepared by OMIFL but was prepared by other parties. While OMIFL has no reason to believe that the information is inaccurate, the truth or accuracy of the information contained therein cannot be warranted or guaranteed. Anyone reading this report must obtain and rely upon their own independent advice and inquiries. Investors should carefully consider each of the Product Disclosure Statement dated 24 July 2023 (together with the Additional Information Booklet dated 24 July 2023) (PDS) and Target Market Determination (TMD) issued by OMIFL before making any decision about whether to acquire, or continue to hold, an interest in the Fund. Applications for units in the Fund can only be made pursuant to the application form relevant to the Fund. A copy of the PDS dated 24 July 2023, TMD dated 19 October 2022, continuous disclosure notices and relevant application form may be obtained from <https://www.oneinvestment.com.au/realmstif/> or <https://www.realminvestments.com.au/our-products/realm-short-term-income-fund/>. You should also consult a licensed financial adviser before making an investment decision in relation to the Fund. Realm believes that the information contained in this document is accurate when issued. Realm does not warrant that such information or advice is accurate, reliable, complete or up-to-date, and to the fullest extent permitted by law, disclaims all liability of Realm and its associates. This document should be regarded as general information only rather than advice. In preparing this document, Realm did not take into account the investment objectives, financial situation and particular needs of any individual person. The information contained in this document must not be copied or disclosed in whole or in part without the prior written consent of Realm, and Realm accept no liability whatsoever for the actions of third parties in this respect. It is presented for informational purposes only and is not to be construed as a solicitation or an offer or recommendation to buy or sell any securities. Any opinions expressed in this document may be subject to change. Realm is not obliged to update the information. The information must not be used by recipients as a substitute for the exercise of their own judgment and investigation. Neither Realm nor any of their directors, employees or agents accept any liability for any loss or damage arising out of the use of all or part of, or any omission, inadequacy or inaccuracy in, this document. OMIFL and Realm do not guarantee the performance of the Fund or the repayment of any investor's capital. To the extent permitted by law, neither OMIFL nor Realm, including their directors, senior executives, employees, consultants, advisers, officers or authorised representatives, are liable for any loss or damage arising as a result of reliance placed on the contents of this document. Realm only provides services to wholesale clients, as defined in section 761G of the Corporations Act. Past performance is not indicative of future performance. Information in this document is current as at 31 March 2025.

## ZENITH DISCLAIMER

The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (assigned June 2024 referred to in this document is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at <http://www.zenithpartners.com.au/RegulatoryGuidelines>

## LONSEC DISCLAIMER

The rating issued 10/2024 is published by [Lonsec Research Pty Ltd](http://www.lonsec.com.au) ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit [lonsec.com.au](http://lonsec.com.au) for ratings information and to access the full report. © 2024 Lonsec. All rights reserved.