

# PRODUCT DISCLOSURE STATEMENT REALM HIGH INCOME FUND

## Adviser Units

### Important Information

This PDS contains a summary of significant information in relation to the Adviser Units in the Realm High Income Fund ARSN 159 673 533 (**Fund**). It also includes references to additional important information (all of which forms part of this PDS) contained in the document titled 'Additional Information Booklet'. The PDS and the Additional Information Booklet can be obtained at no cost by calling One Managed Investment Funds Limited (Phone: 02 8277 0000) or by downloading it from the website [www.oneinvestment.com.au/realm](http://www.oneinvestment.com.au/realm). You should read both the PDS and the Additional Information Booklet before making a decision about whether to invest in the Fund. If you received this PDS electronically, a paper copy will be provided free from us during the life of this PDS.

The information provided in this PDS and the Additional Information Booklet is general in nature and does not take into account your personal financial situation or needs. You should seek independent financial advice tailored to your own needs before making a decision about whether to invest in the Adviser Units in the Fund.

### Updated information

Information in this PDS is subject to change from time to time and may be updated by us if it is not materially adverse to you. Updated information can be obtained at any time from the website [www.oneinvestment.com.au/realm](http://www.oneinvestment.com.au/realm). Also, a paper copy of updated information may be provided to you free of charge upon request by contacting One Managed Investment Funds Limited as per details provided above.

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# 1. About One Managed Investment Funds Limited

The responsible entity of the Fund is One Managed Investment Funds Limited (the **Responsible Entity**). Further information about the Responsible Entity can be found in Section 1.2 below. The Responsible Entity has appointed Realm Investment Management Pty Ltd ACN 158 876 807 (the **Investment Manager**) as the investment manager of the Fund. The Investment Manager's role is to manage the Fund's investments.

## 1.1 The Investment Manager

The Investment Manager forms part of Realm Investment House. Realm Investment House is an asset management firm that has been established by an experienced team of professionals with tested investment beliefs, processes and extensive networks. Realm Investment House is passionate and committed to understanding markets and using the information to deliver a quality outcome for clients.

The Investment Manager believes that the general inaccessibility of bond markets, coupled with a lack of transparency for investors at a retail level, highlights the need for an insightful, professional and experienced manager in this asset class. The Investment Manager offers its investors, through the Fund, the ability to gain access to its team providing portfolio construction, asset selection and ongoing portfolio management.

## 1.2 The Responsible Entity

One Managed Investment Funds Limited (**we, us or our**) is part of the One Investment Group. One Investment Group is an independent Australian funds management business established to provide responsible entity, trustee and investment management services. One Investment Group specialises in a range of asset classes including real estate, private equity, infrastructure, equity, mortgage and hedge funds.

As responsible entity of the Fund, our role is to ensure the operation of the Fund is in accordance with the Corporations Act.

We have appointed a properly authorised custodian to hold the Fund's assets. The role of the Custodian is limited to holding assets of the Fund and it has no supervisory role in relation to the operation of the Fund. The Custodian does not make investment decisions in respect of the assets held or manage those assets, and has no liability or responsibility to investors in the Fund. We may change the appointed custodian from time to time, without notice to you.

# 2. How the Realm High Income Fund works

**You should read the important information about how the Realm High Income Fund works before making a decision. Go to the 'Additional Information Booklet' available from [www.oneinvestment.com.au/realm](http://www.oneinvestment.com.au/realm); in particular, Section 1 titled 'How the Realm High Income Fund works'.**

**The material relating to 'How the Realm High Income Fund works' may change between the time when you read this PDS and the day when you sign and submit the Application Form.**

The Fund is structured as a unit trust. This means that as an investor you have a fixed beneficial interest in the assets of the Fund calculated as the proportion your Unit holding bears to all of the Units in the Fund which have been issued. You do not however have a right to demand any particular assets of the Fund be transferred to you.

The Unit price is the price at which Units in the Fund are issued and redeemed (and before the application of the buy or sell spread (as applicable)).

As the market value of the assets invested in by the Fund rises and falls, so does the Unit price. Unit prices are determined in accordance with the Fund's Constitution and are calculated each Business Day. We have a Unit Pricing Discretions Policy which sets out how we will exercise any discretion in relation to the unit pricing and a copy (and records of any departures from the policy) is available to investors from us on request.

Generally, if your valid Application Form or withdrawal request is received by the Fund's administrator before 12.00pm Sydney time on a Business Day (referred to as the transaction cut-off time), it will usually be processed using the Unit price determined as at that day. If your valid Application Form or withdrawal request is received after the transaction cut-off time, or on a non-Business Day, it will usually be processed using the applicable Unit price calculated as at the close of business on the next Business Day. We will provide notice if we are to change the transaction cut-off time.

The Unit price will be determined by dividing the net asset value of the Fund (which is properly referable to the class of Units for which the Unit price is being calculated) by the number of Units on issue in that class. Therefore, the Unit price will vary as the value of the Fund's assets varies and will vary across different classes of units.

The net asset value of the Fund is the value of the Fund's assets less the liabilities of the Fund at the time it is calculated.

The application price of Units will be the Unit price plus the buy spread, while the redemption price of Units will be the Unit price minus the sell spread. The buy and sell spread are explained in Section 6.2.

## 2.1 Adviser Units

The Fund offers one class of Units under this PDS, being the Adviser Units.

Adviser Units are only able to be applied for by Advised Clients and are only able to be issued by the Responsible Entity to Advised Clients.

You will cease to qualify as an Advised Client if we are notified that (**Ineligibility Event**):

1. you have ceased to receive advisory services from an individual or entity who is an Approved Dealer Group or authorised by an Approved Dealer Group; or
2. the Approved Dealer Group who has provided you with advisory services ceases to hold an appropriate AFSL for the purposes of advising or dealing in respect of interests in the Fund or to be eligible to rely upon an exemption from the requirement to hold an AFSL for such financial services.

Where an Ineligibility Event occurs in respect of the Adviser Units you hold (**Ineligible Adviser Units**), the Responsible Entity will provide you with written notice of the Ineligibility Event (**Notice**) and will provide you with the option to either:

- provide sufficient evidence to satisfy the Responsible Entity that an Ineligibility Event has not occurred in respect of your Adviser Units; or
- elect to:
  - reclassify/convert the Adviser Units to Ordinary Units or Wholesale Units (as relevant) (at the next relevant valuation time following the expiry of the Notice Period); or
  - withdraw from the Fund by lodging a withdrawal request (pursuant to the withdrawal mechanics contained in the Constitution).

The evidence or election referred to above must be received by the Fund's administrator within 30 days from the date of the Notice (or such other period as agreed by the Responsible Entity, and notified to you in writing) (**Notice Period**).

In circumstances where you fail to either provide sufficient evidence to the Responsible Entity or make an election referred to above, within the Notice Period, the Adviser Units will automatically be reclassified as, or converted to either, Ordinary Units or Wholesale Units (where you provide evidence to the Responsible Entity that you meet the requirements of the relevant class before expiry of the Notice Period) by the Responsible Entity (at the next valuation time following the expiry of the Notice Period) pursuant to its reclassification and conversion power under the Constitution. The Ineligible Adviser Units will be reclassified or converted to as many Ordinary Units or Wholesale Units (as relevant) having the same total value as the Ineligible Adviser Units. In reclassifying and converting the Ineligible Adviser Units to Ordinary Units or Wholesale Units (as relevant), the Ineligible Adviser Units will be consolidated or divided as appropriate. Investors should be aware that there may be tax implications associated with a reclassification or conversion of Adviser Units. Investors should obtain professional tax advice on this issue before investing in the Fund.

If Adviser Units are transferred to an investor who is not an

Advised Client (**Transferred Adviser Units**), the Transferred Adviser Units will be automatically reclassified or converted by the Responsible Entity (at the next relevant valuation time following the transfer) in the same manner as described above in respect of the automatic reclassification or conversion of the Ineligible Adviser Units.

## 2.2 Other classes

The Ordinary Units and Wholesale Units are offered pursuant to a separate product disclosure statement and are not available under this PDS. For a description of the Ordinary Units and Wholesale Units please refer to the product disclosure document issued for the Ordinary Units and Wholesale Units available at [www.oneinvestment.com.au/realn](http://www.oneinvestment.com.au/realn).

The Ordinary Units and Wholesale Units invest in the same portfolio of assets and rank equally with Adviser Units with respect to redemptions, distributions and on winding up. The Ordinary Units and Wholesale Units may have different fees, expenses, minimum holdings and unit pricing, to reflect the differing nature of investors in those classes.

Additional classes may be issued in the future with the same or different terms to any of the existing classes.

## 2.3 Reclassification or conversion request

You may make a request for your Units to be reclassified or converted to another class of units when you meet the requirements of that class.

To request a reclassification or conversion of your Units, please contact the Fund's administrator to request the appropriate form (using the contact details contained in the Application Form). You will be required to produce such evidence as required by the Responsible Entity to satisfy the Responsible Entity that you meet the requirements of the relevant class. Your Units will be reclassified or converted to as many Units in the other class having the same total value as your units. In reclassifying and converting your Units, your Units will be consolidated or divided as appropriate.

You should note, we reserve the right to accept or reject any application for reclassification or conversion. You should consider any tax consequences of a reclassification or conversion of your Units. You are strongly advised to seek your own professional tax advice in respect of any reclassification or conversion.

You should not only consider this PDS but also the product disclosure statement for the other classes so that you understand how your investment may be affected where your Units are reclassified or converted.

## 2.4 Minimum investment

For the Adviser Units, the minimum investment you may make in the Fund is \$25,000 with additional investments of at least \$5,000. Please note that if you would like to apply for Adviser Units you need to be an Advised Client.

We may, in our discretion, accept other application amounts. When making your initial application you must complete an Application Form which can be found on our website – [www.oneinvestment.com.au/realn](http://www.oneinvestment.com.au/realn). See Section 8 on how to apply. We reserve the right to accept or reject applications for Units.

## 2.5 Applications, withdrawals and transfers

You can increase your investment at any time by making an application for additional Units. Whenever the Fund is liquid (as defined in the Corporations Act), you can make withdrawal requests for all or part of your investment in accordance with the Constitution.

An application for Units will be calculated on the basis of the application price per Unit calculated each Business Day in which a properly completed Application Form is received and accepted. Generally, if your valid Application Form is received by the Fund's administrator before 12.00pm Sydney time on a Business Day (referred to as the transaction cut-off time), it will usually be processed using the Unit price determined as at that day. If your valid Application Form is received after the transaction cut-off time, or on a non-Business Day, it will usually be processed using the applicable Unit price calculated as at the close of business on the next Business Day. We will aim to post the Unit price usually within 2 Business Days of the respective pricing date on the Investment Manager's website, [www.realminvestments.com.au](http://www.realminvestments.com.au).

Applications may be invalid for various reasons (e.g. not signing

the appropriate form, not providing the correct application moneys or not including all required information on the form). In these cases, the application for Units will not be processed until valid documentation is received and will be processed using the Unit price that applies on the day that the correct documentation is received. Interest will not be paid on your application money.

Unit holders can withdraw from the Fund by submitting a withdrawal request to the Fund's administrator. Generally, if your valid withdrawal request is received by the Fund's administrator before 12.00pm Sydney time on a Business Day (referred to as the transaction cut-off time), it will usually be processed using the Unit price determined as at that day. If your valid withdrawal request is received after the transaction cut-off time, or on a non-Business Day, it will usually be processed using the applicable Unit price calculated as at the close of business on the next Business Day. Provided the Fund is liquid, withdrawal requests will be satisfied within 30 days of receipt by the Fund's administrator of your withdrawal request (subject to certain exceptions).

If we receive requests for withdrawals on a Business Day for an aggregate value of more than 10% of the net asset value of the Fund, then we may (at our discretion) reduce each request on a pro rata basis so that only Units equal to 10% of the net asset value of the Fund (which is properly referable to the class of Units the subject of the withdrawal requests) are redeemed. If this occurs, then any part of your withdrawal request that is not satisfied will be automatically held over to the next Business Day (until such Units are able to be redeemed).

If the Fund is illiquid (as defined in the Corporations Act), then you will only be able to withdraw your investment by accepting a periodic withdrawal offer made by us to all investors. Under the Corporations Act, the Fund is illiquid if less than 80% of its assets can reasonably be considered liquid (investment grade bank and corporate bonds, derivatives and cash are liquid assets). At the date of this PDS, the Fund is liquid and we believe the Fund will continue to be liquid. If the Fund becomes illiquid, then we will notify you in writing.

## 2.6 Income distributions

A Unit entitles you to participate in any income generated from the assets of the Fund. The Fund expects to make distributions on a monthly basis. Subject to the Constitution, distributions (if any) will generally be paid within 14 Business Days after month end and generally within two months after 30 June.

Distributions are expected but not guaranteed and may not be payable for a number of reasons, such as the fixed income markets experiencing heightened volatility and losses being incurred by the Fund.

During the financial year, we will determine the income (if any) for the month to be distributed to the Unit holders, which will be based on an estimate of the distributable income for the whole of the financial year. The final distribution for the financial year (i.e. the distribution made two months after 30 June) will include the amount by which the distributable income (if any) for the financial year exceeds the aggregate of distributions to Unit holders previously made during the financial year.

In the event the amount distributed to you during a financial year exceeds the actual income of the Fund for that financial year, the excess amount paid to you will be classified as a capital distribution.

Unit holders have the option to reinvest the income and capital distributions back into Units in the Fund. You can make this election on the Application Form. If no election is made on the Application Form your distributions will be automatically reinvested in the Fund. No buy/sell spread applies to Units issued to you as a result of reinvestment of your income entitlement. Investors should be aware that there may be tax implications associated with the reinvestment of your income entitlement. Investors should obtain professional tax advice on this issue before investing in the Fund and make their own arrangements for any tax liabilities that arise. If you wish to change your election after submitting the Application Form, an election form can be obtained by contacting the Fund's administrator.

Investors should be aware that an investment in the Fund carries the risk that you may lose some or all of your investment (see Section 4). Distributions will not be paid by cheque.

### 3. Benefits of investing in the Realm High Income Fund

You should read the important information about the benefits of investing in the Realm High Income Fund before making an investment decision. Go to the 'Additional Information Booklet' available from [www.oneinvestment.com.au/realm](http://www.oneinvestment.com.au/realm); in particular, Section 2 titled 'Benefits of investing in the Realm High Income Fund'.

The material relating to the benefits of investing in the Fund may change between the time when you read this PDS and the day when you sign and submit the Application Form.

#### 3.1 Significant features

The Fund's investment philosophy is based on a core set of investment principles that the Investment Manager believes are indispensable. These core principles underpin the investment process and framework of the Fund and are as follows:

- experience counts;
- proactive origination of relationships, assets and risk drives quality outcomes;
- mistakes are severely punished;
- inefficiencies exist in all markets; and
- it is important to understand diversification and correlation.

Overall, the Investment Manager adopts an outward looking investment approach that is underpinned by a market intelligence gathering process. This research lead approach seeks to identify and exploit market inefficiencies for the benefit of the Fund.

#### 3.2 Significant benefits

Investment in the Fund offers the following significant benefits:

- access to an experienced, competent investment management team, with a broad and multi-faceted base of knowledge and experience; and
- access to a portfolio of fixed income assets acquired and managed by an experienced investment team who are not conflicted by agendas or incentives outside of managing the money.

### 4. Risks of managed investment schemes

You should read the important information about the risk of managed investment schemes before making a decision. Go to the 'Additional Information Booklet' available from [www.oneinvestment.com.au/realm](http://www.oneinvestment.com.au/realm); in particular, Section 3 titled 'Risks of managed investment schemes'.

The material relating to risks of investing may change between the time when you read this PDS and the day when you sign and submit the Application Form.

All investments have some level of risk. Managed investment schemes invest in a range of asset classes, for example, cash, bonds, equities and property, each of which offer different levels of risk. The likely investment return and the level of risk of losing money differs among managed investment schemes depending on the underlying mix of assets. Typically, those assets with potentially the highest return (such as derivatives) also have the highest risk of losing money over the short term. Fixed income as an asset class exhibits its own unique risks and is impacted by market volatility as well as a cross-section of structural, regulatory and issuer-specific risks.

When considering investing in any managed investment scheme, it is important to understand that:

- the value of your investment will go up and down;
- returns are not guaranteed and the level of return will vary;
- you may lose some or all of your money;
- past performance is not an accurate predictor of future performance;
- laws affecting your investment in a managed investment scheme may change; and

- the appropriate level of risk for you will depend on a range of factors including your age, investment time frames, where other parts of your wealth are invested and how tolerant you are to the possibility of losing some or all of your money in some years.

When deciding whether to invest in this Fund, you must decide whether, given the nature of trading undertaken by the Investment Manager and the Fund's underlying investments, your financial situation permits you to participate in an investment that involves a medium degree of risk. You may lose a substantial portion or even all of the money you invest in the Fund.

Some of the significant risks of an investment in the Fund are set out below:

- **Market risk.** The value of the Fund's investments may fluctuate for a variety of reasons including changes in economic conditions, market sentiment, government regulations, political events, natural disasters, climate and changes in technology. The effects on the value of each underlying investment will vary and cannot be predicted with certainty.
- **Investment specific risk.** The price of a specific investment of the Fund may be affected by market risk (above) but also factors which are specific to that investment.
- **Strategy Risk.** The Fund seeks to deliver returns through the cycle with a blended top down and bottom up approach, with a key emphasis on corporate debt. The nature of the strategy is such that loss could be incurred by virtue of errant asset sector allocation decisions or through errant security selection.
- **Liquidity risk.** The Investment Manager may invest in illiquid securities if it believes it is in the best interests of investors. Despite this, we expect the Fund will be liquid which means you are able to send withdrawal requests to us to be processed within 30 days of the date we receive your request. However, if we receive requests for withdrawals on a Business Day with an aggregate value of more than 10% of the net asset value of the Fund, then we may (at our discretion) reduce each request on a pro rata basis so that only Units equal to 10% of the net asset value of the Fund (which is properly referable to the class of Units the subject of the withdrawal requests) are redeemed. If this occurs, then any part of your withdrawal request that is not satisfied will be automatically held over to the next Business Day (until such Units are able to be redeemed). There is therefore a risk you may not be able to access all of your money when you make a withdrawal request.
- **Investment Manager risk.** An important issue that you must consider is the competency of the Investment Manager. An investment in the Fund is an indication that you believe that the Investment Manager is capable of making decisions that are in the best interests of the Fund.
- **Key person and other risk.** The loss of a key person within the Fund's investment process could impact the decision making ability of the Investment Manager. This is mitigated to a great degree by virtue of the fact that the day to day management of the Fund is driven by the Investment Manager's senior management. Other risks associated with investing in the Fund include that the Fund could be closed and your money returned to you at the prevailing valuations at that time, and we or the Investment Manager could be replaced. There is also the risk that someone involved with your investment (even remotely) does not meet their obligations or perform as expected, assets may be lost, not recorded properly or misappropriated, laws may adversely change, insurers may not pay when expected, systems may fail or insurance may be inadequate.
- **Interest rate risk.** The yield and face value of securities can be affected by interest rate movement. In instances where interest rates rise, the face value of certain fixed rate securities may decline. Equally in circumstances where interest rates decline the yield of certain floating rate securities will drop to reflect the floating rate nature of the yield. Equally longer term interest rate expectations have the ability to impact the value of longer dated fixed rate securities. The expectation of future rates is embodied in the "yield curve". The Investment Manager will not seek to utilise rates exposure as a source of

outperformance; however, the Investment Manager may use derivatives to hedge the capital value of the Fund.

- **Risks of trading derivatives.** The value of derivative instruments is linked to the value of an underlying asset (or an interest rate, share index or other reference point) and can be highly volatile. While derivatives offer the opportunity for higher gains for a smaller initial cash outlay, they can also result in significant losses, sometimes significantly in excess of the amount invested to purchase the derivative. Risks associated with using derivatives might include the value of the derivative failing to move in line with that of the underlying asset, potential illiquidity of the derivative, a fund not being able to meet payment obligations as they arise, and counterparty risk (where the counterparty to the derivative contract cannot meet its obligations under the derivatives contract). If market movements, investments into or withdrawals from the Fund, or changes in the nature of an investment, result in the Fund being geared through derivatives, this will be addressed by the Investment Manager or us as soon as reasonably practicable. Where the Fund uses derivatives, we aim to ensure that there are sufficient liquid assets available in the Fund to meet costs and other liabilities under derivatives (that is, while a derivative may turn out to be loss making, we aim to keep sufficient liquid assets in the Fund to meet such losses).
- **Reclassification/conversion risk.** Where you are reclassified or converted to a different class following an Ineligibility Event or you request for your Adviser Units to be reclassified or converted to another class, there may be an adverse impact on your investment in the Fund, including because of adverse tax consequences or different terms of issue of that class (for example, higher fees). You should not only consider this PDS but also the product disclosure statement for the other classes so that you understand how your investment may be affected where your Adviser Units are reclassified or converted.
- **Information risk.** We are committed to ensuring that your information is kept secure and protected from misuse and loss and from unauthorised access, modification and disclosure. We use the Internet in operating the Fund and may store records in a cloud system. If stored overseas, different privacy and other standards may apply there. The internet does not however always result in a secure information environment and although we take steps we consider reasonable to protect your information, we cannot absolutely guarantee its security.

## 5. How we invest your money

You should read the important information about how we invest your money before making a decision. Go to the 'Additional Information Booklet' available from [www.oneinvestment.com.au/realms](http://www.oneinvestment.com.au/realms); in particular, Section 4 titled 'How we invest your money'.

The material relating to how your money is invested and the Investment Manager's philosophy may change between the time when you read this PDS and the day when you sign and submit the Application Form.

You should consider the likely investment return, the risk and your investment timeframe when choosing an investment in the Fund.

The Fund's primary emphasis is to invest in domestic investment grade asset-backed, bank-issued and corporate bonds. Notwithstanding this primary emphasis, the Fund may also invest in Commonwealth and State government securities, inflation linked securities, hybrid securities, revolving credit facilities, bank term deposits, international agency, supranational debt and derivatives. Derivatives can be used to implement investment decisions, including hedging, and as a risk management tool (such as managing the effect of interest rate or foreign currency movements). They may also be used to adjust or implement investment decisions and to gain, or avoid, exposure to a particular market rather than purchasing physical assets. In this regard, derivatives will only be used to gain exposures when they offer a more cost effective way of purchasing the underlying security.

All derivative positions will be fully funded. No leverage is possible when fully exposing and backing the derivative

position. The Investment Manager's approach for the Fund embraces the philosophy that best practice management combines a complete top down assessment of key macro and regulatory drivers supported by a bottom up process which provides a ground level market view of issuers and their markets.

Approximately 75% of the Fund will be targeted at investment grade assets. These are assets which are considered entities and/or securities that have an internal or external credit rating of BBB- or higher. Issuers of investment grade securities are considered to have a strong capacity to meet their payment obligations (although no guarantee can be given about this matter). The Fund's returns will be driven by the Investment Manager's relative value assessment around sector allocation as well as security selection. This relative value screen is embedded in the top down portion of the Investment Manager's process.

The Fund seeks to deliver a consistent return of approximately 300 basis points over the RBA overnight cash rate through the market cycle. Note this investment return objective is not a forecast. It is merely an indication of what the Fund aims to achieve over the medium term on the assumption that credit markets remain relatively stable throughout the investment term. The Fund may not be successful in meeting this objective. Returns are not guaranteed.

### Realm High Income Fund

**Investment return objective** The objective of the Fund is to deliver a consistent return of approximately 300 basis points over the RBA overnight cash rate through the market cycle. Note this investment return objective is not a forecast. It is merely an indication of what the Fund aims to achieve over the medium term on the assumption that credit markets remain relatively stable throughout the investment term. The Fund may not be successful in meeting this objective. Returns are not guaranteed.

Mix of assets classes <sup>1</sup>	Permitted range	Target range <sup>2</sup>
Domestic and Non-Domestic investment grade asset-backed, bank-issued and corporate bonds <sup>3</sup>	0% to 100%	75% to 100%
Domestic and Non-Domestic non-investment grade asset-backed, bank-issued and corporate bonds <sup>3</sup>	0% to 25%	0% to 25%
Cash	0% to 100%	5% to 10%

**Minimum suggested investment time frame** 2 to 5 years

**Summary risk level** Medium  
The Fund will primarily be invested within investment grade debt assets, however a portion of the Fund will be invested within sectors that do tend to experience higher volatility. On balance, the Investment Manager believes the Fund will expose the investor to a medium level of risk. This could be summarised as being below the risk and volatility of equities, but above that of high grade corporate debt.

There is a risk investors may lose some or all of their capital.

1. The primary assets classes are unlisted but it does not prohibit the Fund investing in other asset classes (including listed securities) where the Investment Manager believes it is appropriate and in the best interests of investors. The Fund will also use derivatives to gain exposure when they offer a more cost-effective way of purchasing the underlying security and for the purpose of hedging exposures within the Fund.
2. While the Investment Manager intends that the asset mix of the Fund will be within the target ranges, there are times when the asset mix will fall outside of the target ranges.
3. Exposures may take the form of units in both registered and unregistered managed investment schemes, notes or securities.

The trading strategies, investment asset classes and systems utilised by the Fund may be revised significantly from time to time without notice to you as a result of ongoing research and development. If there are significant and material changes to the investment strategy or asset mix, we will notify you via our normal investor communication.

## 6. Fees and costs

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from the money you invest, from the returns on your investment or from the Fund's assets as a whole and may be used to compare costs between different simple managed investment schemes. The fees set out in the table below are inclusive of GST. You should read all the information about fees and costs as it is important to understand their impact on your investment.

Realm High Income Fund	
Type of fee or cost	Amount
Fees when your money moves in or out of the Fund	
<b>Establishment fee</b>	Nil
<b>Contribution fee</b>	Nil
<b>Withdrawal fee</b>	Nil
<b>Exit fee</b>	Nil
<b>Management costs</b>	
The fees and costs for managing your investment	
<b>Investment Management Fee</b>	A management fee of 0.77% pa of the gross asset value of the Fund referable to Adviser Units
<b>Expenses</b>	Estimated at no more than 0.10% pa of the Adviser GAV
<b>Indirect costs</b>	Estimated at 0.01% pa of the Adviser GAV
<b>Service fees</b>	
<b>Switching fee</b>	Nil
The fee for changing investment options	

## 6.1 Management costs

**You should read the important information about fees and costs before making a decision. Go to the 'Additional Information Booklet' available from [www.oneinvestment.com/realm](http://www.oneinvestment.com/realm); in particular, Section 5 titled 'Fees and costs'.**

**The material relating to fees and costs may change between the time when you read this PDS and the day when you sign and submit the Application Form.**

The management costs is the fee we charge to manage and oversee the operation of the Fund.

The fee will accrue daily and is payable monthly in arrears out of the assets of the Fund.

We will pay ourselves a fee and the costs of third parties providing services such as custody, administration and registry services to the Fund out of our management fee. We will also pay the Investment Manager an investment management fee payable monthly in arrears for providing investment management services to the Fund.

We will be entitled to be reimbursed out of the assets of the Fund for Fund-related expenses, for example legal fees, taxation advice, audit fees and costs of members' meetings. It is anticipated that expense recoveries will amount to no more than 0.10% of the gross asset value of the Fund per annum.

## 6.2 Transactional and operational costs

These are costs are associated with making the Fund's investments. They include:

- the buy/sell spread, and
- other transactional and operational costs.

The buy/sell spread reflects our estimate of the transaction costs expected to be incurred in buying and selling underlying financial products as a result of investments in, and withdrawals from, the Fund. The purpose of the buy/sell spread is to ensure those investors transacting in Units at a particular time bear the costs of buying and selling the Fund's assets as a consequence of their transaction. The buy/sell spread is an additional cost to investors but it is not a fee paid to us or the Investment Manager, but is instead retained as assets of the Fund. The buy/sell spread will vary depending on the liquidity within the fixed income market at the time of application or redemption.

We will use the Australian iTraxx Index as a measure for general credit market liquidity. The table below lists the maximum buy/sell spread permitted with different levels of the Australian iTraxx Index. The Australian iTraxx Index is calculated daily by Markit, an independent data and valuation provider. The index level is published on [www.markit.com](http://www.markit.com).

Australia iTraxx Index	0-100	101-200	201-300	>300
Maximum buy spread	+0.05%	+0.125%	+0.20%	+0.50%
Maximum sell spread	-0.05%	-0.125%	-0.20%	-0.50%

In this Fund, assuming the maximum spread applies, if a person withdraws \$1,000 and the sell spread was 0.10% then a sell spread \$10 would apply, in effect as an additional cost to them, and if a person invests \$1,000 in the Fund and the buy spread was 0.10% then a buy spread \$10 would apply, in effect as an additional cost to them.

Transactional and operational costs are payable from the Fund and vary from year to year. Transactional and operational costs include brokerage, any transaction costs charged by the Fund's investments, custodial transaction costs and costs associated with any hedging. Underlying transaction costs are also included. Many are in effect offset however by the buy/sell spread.

For the last financial year, for the Adviser Class the spread totally offset these transaction costs. Based on the \$50,000 fees and costs example for the Adviser Class, this would add \$nil to the annual cost of your investment. For the next financial year, we estimate transaction costs will again be offset entirely by the buy/sell spread. Based on the \$50,000 fees and costs example for the Adviser Class, this will add \$nil to the annual cost of your investment.

### 6.3 Fees paid to a financial adviser or broker

If you have a financial adviser, then you may also have to pay additional fees to your adviser. Details of those fees should be set out in the Statement of Advice or Financial Services Guide given to you by your adviser.

### 6.4 Example

This table gives an example of how the fees and costs for this Fund can affect your investment over a one-year period. You should use this table to compare this product with other managed investment products.

Example Realm High Income Fund (Adviser Units) Balance of \$50,000 with a contribution of \$5,000 during the year		
<b>Contribution fee</b>	Nil	
<b>PLUS Investment Management Fee</b>	0.77% pa of the Adviser GAV	And, for every \$50,000 you have in the Fund you will be charged \$385 each year.
<b>PLUS Expenses</b>	Estimated at no more than 0.10% pa of the Adviser GAV	And, for every \$50,000 you have in the Fund you will be charged \$50 each year.
<b>PLUS Indirect costs</b>	Estimated at 0.01% pa of the Adviser GAV	And, for every \$50,000 you have in the Fund you will be charged \$5 each year.
<b>EQUALS Cost of the Fund</b>	If you put in \$50,000 at the beginning of the year and your balance was \$50,000, then you would be charged fees of up to \$440 each year. Additional charges will depend on the performance of the Fund, the transaction costs of the year (the buy/sell spread) and any adviser service fee you negotiate with your financial adviser. <sup>4</sup>	

4. This example does not take into account the buy/sell spread (see Section 6.2).

## 7. How managed investment schemes are taxed

You should read the important information about taxation before making a decision. Go to the 'Additional Information Booklet' available from [www.oneinvestment.com.au/realm](http://www.oneinvestment.com.au/realm); in particular, Section 6 titled 'Taxation'.

The material relating to taxation may change between the time when you read this PDS and the day when you sign and submit the Application Form.

The Fund will typically distribute all its taxable income each year so the Fund is not required to pay tax. As a Unit holder, you will be assessed for your share of any tax on any income and capital gains generated by the Fund, even if your income entitlement is not paid to you but reinvested back into the Fund. In normal circumstances, you should expect that some income and/or capital gains will be generated each financial year. The Fund will not generally pay tax on behalf of Unit holders.

You will be issued with a taxation statement annually, which sets out relevant taxation information.

## 8. How to apply

To make an investment into the Fund simply complete the Application Form and send it to the Fund's administrator. Please refer to the Application Form for the address of the Fund's administrator and lodgement details. Payment may be made by cheque or by electronic funds transfer. Please refer to the Application Form for details.

Generally, if your valid Application Form is received by the Fund's administrator before 12.00pm Sydney time on a Business Day (referred to as the transaction cut-off time), it will usually be processed using the Unit price determined as at that day. If your valid Application Form is received after the transaction cut-off time, or on a non-Business Day, it will usually be processed using the applicable Unit price calculated as at the close of business on the next Business Day. We will provide notice if we are to change the transaction cut-off time.

Under the Constitution, the Responsible Entity has absolute discretion to accept or reject any application for Units without giving a reason for the decision.

### 8.1 Complaints

We take complaints seriously and aim to resolve them as quickly as possible. In the first instance, if, as an investor or if you are investing through an IDPS, you have a complaint, then you should notify us immediately using the following contact details:

Address: Level 11  
20 Hunter Street  
Sydney NSW 2000  
Phone: 02 8277 0000  
Post: Complaints Officer  
PO Box R1471  
Royal Exchange NSW 1225  
Email: [complaints@oneasset.com.au](mailto:complaints@oneasset.com.au)

If we receive a complaint, we will acknowledge it as soon as practicable and investigate the complaint with a view to responding as soon as possible and resolving it within 45 days.

If you are not satisfied with our response, then you can refer the complaint to the Financial Ombudsman Service, an external complaints handling body of which we are a member. The role of this body is to provide an independent assessment of your complaint. The Financial Ombudsman Service can be contacted on 1800 367 287 or by writing to GPO Box 3, Melbourne Victoria 3001 or by fax on 03 9613 6399. FOS is independent of us and the Investment Manager. FOS does have some rules which may change from time to time, including that the claim involved must generally be under a certain financial amount – current details can be obtained from [www.fos.org.au](http://www.fos.org.au).

## 9. Additional information

### 9.1 Privacy and collection and disclosure of information

The Privacy Act 1998 (Cth) regulates, among other things, the collection, disclosure and access to personal information.

Certain laws require us to collect, store and disclose your personal information, for example, The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Law), the Foreign Account Tax Compliance Act (FATCA) and the Tax Laws Amendment (Implementation of the Common Reporting Standard) Act 2016 (CRS). We may be required under the AML/CTF Law to provide your personal information to the Australian Transaction Reports and Analysis Centre (AUSTRAC), the body responsible for regulating the AML/CTF Law. In respect of investors who are ordinarily resident in a country other than Australia, both FATCA and CRS may require us to collect and disclose to the Australian Taxation Office personal information obtained from you.

If you do not provide the information requested in our application form, we will not be able to process your application (including any application for additional units) and your application may be delayed or rejected. Alternatively, if we accept your application to the Fund when you have not provided all of the requested information, we may provide your personal information to the relevant regulator.

We will be required to share your personal information with service providers to the Responsible Entity in respect of the Fund (including the Investment Manager) to ensure you receive the appropriate information and assistance in respect of your holding in the Fund.

By applying to invest in the Fund, you consent to your personal information being collected, used and disclosed by the Responsible Entity for the purposes disclosed above and in our Privacy Policy.

You are entitled to access, correct and update all personal information we hold about you. You can contact us to find out what personal information we hold about you or if you have any concerns about the completeness or accuracy of the information we hold. If you want us to correct any personal information we hold, please contact us using the details in this PDS.

## 9.2 Other matters

The offer made in the relevant PDS is only available to persons receiving this PDS in Australia, electronically or otherwise. It is not an offer to issue, or a solicitation of an offer to issue, any units in any place where it is unlawful to do so or to any person to whom it is unlawful to make such an offer or solicitation.

The ASIC takes no responsibility for the contents of this PDS or the issue or redemption of units by us.

Your investment in the Fund is governed by the terms and conditions described in this PDS as well as the Fund's Constitution, as those documents are supplemented, replaced or re-issued from time to time. Copies of those documents are available free from us.

## 9.3 Glossary

The following terms in this PDS have the meanings set out below:

**Advised Clients** – means an investor who receives advisory services from an individual or entity who is an Approved Dealer Group or authorised by an Approved Dealer Group.

**Adviser GAV** – means the gross asset value of the fund referable to Adviser Units.

**Adviser Unit** – A unit issued under this product disclosure document with an APIR Code of OMF0018AU.

**AFSL or AFS licence** – Australian financial services licence.

**Application Form** – The application form for the Fund which is available on our website – [www.oneinvestment.com.au/realm](http://www.oneinvestment.com.au/realm).

**Approved Dealer Group** – means individuals or entities that hold an appropriate AFSL for the purposes of advising or dealing in respect of interests in the Fund (or are exempt from the requirement to hold an AFSL for such financial services).

**ASIC** – The Australian Securities and Investments Commission.

**Business Day** – A day on which banks are open for business in Sydney, excluding Saturday, Sunday or public holidays.

**Constitution** – The constitution of the Fund dated 25 July 2012, as amended from time to time, available free on request.

**Corporations Act** – Corporations Act 2001 (Cth).

**Distribution Period** – means each calendar month.

**Fund** – The Realm High Income Fund ARSN 159 673 533.

**Ineligibility Event** – has the meaning given in Section 2 of this PDS.

**Investment Manager** – Realm Investment Management Pty Ltd ACN 158 876 807, a corporate authorised representative (number 424705) of Realm Pty Ltd ACN 155 984 955, AFS licence number 421336.

**Notice Period** – has the meaning given to that term in Section 2 of this PDS.

**Ordinary Unit** – A unit issued under a separate product disclosure statement for the Fund with an APIR Code of OMF0001AU and mFund Code of RLM01.

**PDS** – This product disclosure statement.

**Unit** – A fully paid Adviser Unit in the Fund.

**we, us and our or Responsible Entity** – One Managed Investment Funds Limited ABN 47 117 400 987, AFS licence number 297042.

**Wholesale Client** – An investor who is a wholesale client for the purposes of sections 761G or 761GA of the Corporations Act.

**Wholesale Unit** – A unit issued under a separate product disclosure statement for the Fund with an APIR Code of OMF0009AU.