ASX:SFIF

seed FUNDS MANAGEMENT

Fund Dashboard

30 June 2026

6.46%
Running Yield*

A
Weighted Average Portfolio Issuer Rating

BBB+
Weighted Average Portfolio Security Rating

100%
Portfolio Floating Rate

0.18 Years
Weighted Average Interest Rate Duration^

4.0 Years
Weighted Average Credit Duration^

4.8 Years
Weighted Average Term to Call

33
Number of Holdings

$429 million
Current FUM

Source: Seed Funds Management. As at 30 June 2026.

*Running yield is an estimate of underlying portfolio gross yield before active management as at 30 June 2026 and is not a forecast of future distributions.

^Maximum duration of 1.

Financial Income Fund Strategy Net Performance[1]

30 June 2026

	1 Month	3 Months	6 Months	1 Year	3 Years Annualised	5 Years Annualised	10 Years Annualised	SI (Sep 15) Annualised	Excess Return
FINANCIAL INCOME FUND[3]	0.77%	2.00%	2.73%	6.78%	7.25%	5.92%	6.48%	6.38%	
Hybrid Benchmark (Solactive[2])	1.19%	2.26%	2.61%	5.86%	5.91%	4.44%	4.99%	4.91%	+1.47%
RBA Cash Rate[4]	0.36%	1.07%	2.03%	3.91%	4.19%	3.13%	2.10%	2.09%	+4.29%

[1]Fund returns are calculated net of management fees, inclusive of franking credits, and assuming all distributions are re-invested. Past performance is not a reliable indicator of future performance. Returns can be volatile, reflecting rises and falls in the value of underlying investments. [2]Refers to the Solactive Australian Hybrid Securities Index (Net). Net refers to net total return. Franking credits are not applicable. Fund returns are calculated net of management fees and inclusive of franking credits.

Management Insights

The Fund delivered a positive return of 0.77% for the month, supported by disciplined positioning through the period of heightened volatility associated with geopolitical developments in the Middle East. While risk assets experienced bouts of uncertainty during the month, the portfolio was well placed to benefit from subsequent stabilisation in credit markets. The result was particularly pleasing given the relative slowdown in primary bond market activity following the recent insurer hybrid issues from Suncorp and QBE in May.

With fewer new-issue opportunities available, we remained active in the secondary market and utilised excess cash selectively where we identified attractive relative value. During the month, we added to high-quality issues from CBA and ANZ, both of which offered favourable value in the context of our credit assessment and the broader pricing of Australian bank paper. These purchases were consistent with our preference for liquid, high-quality, prudentially regulated issuers and allowed us to maintain the portfolio's weighted average issue credit rating at BBB+.

We also used market strength to make some portfolio adjustments. We reduced exposure to Macquarie, taking profits in selected Tier 2 lines following strong performance. Macquarie remains a high-quality issuer, but we considered the relative value available elsewhere in the market to be more attractive at current spreads. We also exited our remaining exposure to Australian Unity, noting that the Fund's holding was limited to its listed senior bond. This decision reflected our assessment of the company's recent performance and our preference to await its next market update before reconsidering any exposure.

Australian macroeconomic data continued to support our view that the RBA is unlikely to be finished with this tightening cycle. The latest monthly CPI data showed annual inflation easing to 4.0% in May, down from 4.2% in April, but the more important trimmed mean measure rose to 3.6%, from 3.4% the prior month. While the fall in headline inflation is welcome, the rise in underlying inflation is more relevant for monetary policy and suggests that inflation remains too stubborn to give the RBA confidence that it is sustainably returning to target.

The labour market is also not yet weak enough, in our view, to remove the risk of further tightening. The unemployment rate fell slightly to 4.4% in May, from 4.5% in April, with employment rising and the number of unemployed people declining by 18,300. Although there are signs of some moderation in labour demand, the overall labour market remains relatively resilient. This combination of sticky underlying inflation and only gradual labour market softening leaves the RBA with a difficult policy balance.

At its June meeting, the RBA left the cash rate target unchanged at 4.35%, following its earlier tightening this year. In our view, the pause should not be interpreted as the end of the cycle. Given the latest trimmed mean inflation outcome, we continue to believe there is likely to be one further rate rise before this cycle is complete.

For the Fund, we believe this remains a constructive environment. The portfolio is currently invested in 100% floating-rate securities, which continue to benefit from the higher cash rate and elevated bank bill settings. At the same time, we remain focused on credit quality, liquidity and relative value, particularly as the market adjusts to the structural changes created by the phase-out of bank AT1 and the ongoing development of the Australian Tier 2 market. Our approach remains to be patient, selective and prepared to take advantage of opportunities when volatility presents attractive entry points.

[3]The performance table above represents The Financial Income Fund Strategy ("Strategy"). The Strategy commenced in September 2015 and has been continuously operated with identical investment parameters and processes by its portfolio manager, Nicholas Chaplin. The Strategy began in 2015 as the Paraclete Investment Fund until June 2022. The Financial Income Fund commenced in June 2022 operating under Evolution Trustees Limited as trustee. Investment management services were novated to Seed Funds Management Pty Ltd in March 2024. Since inception returns are calculated from 23 September 2015 for the unquoted class of units (Financial Income Fund). The quoted class (ASX:SFIF) launched on 13 October 2025. Seed Funds Management Pty Ltd receives a management fee for managing the Fund. Performance figures for the Strategy have been reviewed in accordance with ASRS 4400 "Agreed-Upon Procedures Engagements" by Hall Chadwick Corporate (NSW) Limited up to June 2025. [4]The RBA Cash Rate is provided for illustrative purposes only and is not a direct benchmark.

Portfolio Features

Hybrids, Subordinated bonds, and Senior bonds;

Issued by Australian banks, Insurers & non-bank financials;

Currently 33 positions;

Top 5 Holdings

QBE Additional Tier 1 Securities Jun 2033 Call

ANZ Sub Notes Feb 2037

Macq Bank Sub Notes Aug 2036

IAG Sub Notes June 2038

QBE Sub Notes Nov 2036

Fund Features

Daily Pricing & Liquidity

Monthly Distributions

Management Fees: 0.55%

Other Costs: 0.15% (max)

Performance Fee: zero

Fund Classes

Retail PDS
APIR: EVO3184AU

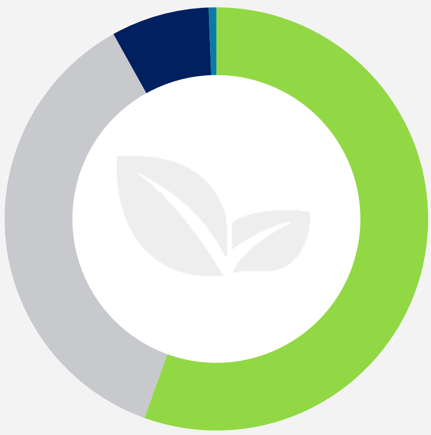
Wholesale IM

ASX Active ETF
APIR: EVO4781AU
(ASX: SFIF)

Portfolio Holdings

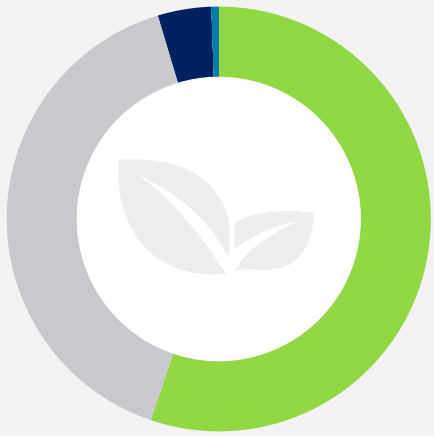
(as at 30 June 2026)

Asset Allocation



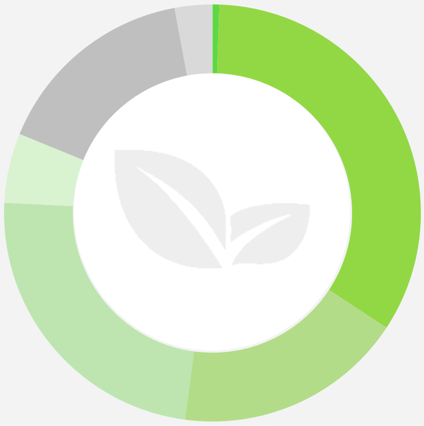
- Tier 2 – 55.52%
- Tier 1 – 36.40%
- Senior – 7.50%
- Cash – 0.58%

Sector Allocation



- Bank – 55.19%
- Insurance – 40.18%
- Non-bank – 4.05%
- Cash – 0.58%

Issuer Credit Rating Allocation[2]



A Portfolio Issuer Credit Rating [1,2,3]

- AAA (0.58%)
- AA- (36.67%)
- A+ (19.37%)
- A (25.75%)
- A- (5.87%)
- BBB+ (17.28%)
- BBB (3.17%)

80% rated **A-** or above

1. Portfolio Weighted Average
2. Figures to Q2 2026
3. S&P Rating Scale

Platform Availability

The Product Disclosure Statement (PDS), Target Market Determination (TMD) and Reference Guide for the fund, along with our continuously updated unit price, are available on our website here.

General Disclosures

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