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Trusted Targeted Research

Seed Financial Income Fund Active ETF (ASX:SFIF)

FACTORS Report

First Issued Jun 2024
Performance as at Jun 2026

FACTORS Operational Due Diligence Process

Australian Fund Monitors ("AFM") has conducted operational due diligence (AFM FACTORS) on Seed Funds Management and the Seed Financial Income Fund Active ETF (ASX:SFIF) in November 2025. The following areas were reviewed and our findings on each section are included in this report:

1. Management Company and Key Staff.
2. Investment Strategy and Process.
3. Risk Management
4. Operational Procedures.
5. Fees, Terms and Conditions.

AFM's due diligence included extensive interviews with senior staff, directors and significant shareholders, document collection and verification where appropriate. The full results of AFM's findings are contained in the following AFM Factors Due Diligence Report. AFM FACTORS provides information and opinions without taking into consideration the financial position or objectives of individual investors and should be read after taking into account the disclaimer and terms and conditions on the www.fundmonitors.com website.

FACTORS Operational Due Diligence Score

Highly Commended

FundMonitors.com conducted a combined qualitative and quantitative assessment of Seed Funds Management, Seed Distribution, and the Financial Income Fund, and considers the fund to be a suitable investment for those investors seeking exposure to a diversified portfolio of A$ denominated debt securities including Tier 2 subordinated notes, hybrids and senior debt securities of financial, banks and non-bank issuers, while requiring regular monthly income. The fund continues a track record and history which initially commenced in 2015, retaining the same strategy and CIO.

Fund performance varies over time. This report should be read in conjunction with the analysis on pages 9-13, and is subject to the individual circumstances and objectives of the investor.

	Weighting	Poor	Below Average	Approved	Commended	Highly Commended
Management Company and Key Staff	25%				✓	
Investment Strategy and Process	25%					✓
Risk Management	20%					✓
Operational Procedures	20%					✓
Fees, Terms and Conditions	10%					✓
Overall Ranking						✓

A ranking of Approved or above in each category indicates the minimum score required.

Ranking Description

Poor: The Manager and/or Fund have significant or structural issues.
Below Average: The Manager and/or Fund have various issues which need to be resolved prior to achieving Approved.
Approved: The Manager and Fund meet relevant or appropriate standards.
Commended: The Manager and Fund meet or generally exceed relevant or appropriate standards.
Highly Commended: The Manager and Fund consistently exceed relevant or appropriate standards.

Executive Summary

Seed Funds Management is a specialist fixed-income fund manager focused on Australian financial issuance. The flagship Financial Income Fund invests in Hybrid, Senior, and Subordinated financial debt to deliver strong risk-adjusted yields. First established in 2015 by Nicholas Chaplin, Senior Portfolio Manager, the Fund has a decade of consistent outperformance vs. the hybrid equity index, reflecting the firm's disciplined investment approach, market insight, and commitment to client outcomes.

The Seed Financial Income Fund Active ETF (ASX:SFIF) provides ASX access to the underlying Seed Financial Income Fund Unit Trust.

The Fund aims to offer returns exceeding the Solactive Australian Hybrid Securities Index on a net basis over a suggested time frame of 5+ years. It actively invests in a diversified portfolio with a heavy weighting to Australian-regulated capital instruments. The underlying securities include hybrids (Tier 1 capital notes and convertible preference shares), Tier 2 bonds, subordinated debt, senior debt, mutual capital instruments and cash. The Fund typically holds ~40 positions whose underlying issuers are banks, insurance companies and non-bank lenders.

Performance is net of fees and includes franking credits. Listed October 2025; prior performance reflects the underlying fund, post-listing reflects SFIF.

Management Company and Key Staff

Seed Funds Management Pty Ltd was established in Feb 2024, and is co-owned by Seed Partnerships Pty Ltd (60%) and Senior Portfolio Manager Nicholas Chaplin (40%), who has managed the portfolio since its original inception as Paraclete Funds Management in 2015. Chaplin brings over 35 years of industry experience, particularly in hybrid capital products, and has significant industry history with major financial institutions such as NAB and Westpac.

Chaplin is supported by Risk and Investment Committee Chair Tony Kench, CEO Chris Donohoe and Portfolio Analysts Ned Silva and Joshua McMenamin. Tony Kench chairs the Risk and Investment Committee and contributes capital-markets, portfolio-construction and risk-management expertise. Donohoe contributes his broad experience from within the funds management industry, further strengthening the Committee's expertise.

The team also includes Graham Hook, who serves as the Head of Compliance, Portfolio Analysts Ned Silva, who joined in Oct 2024 and Joshua McMenamin, who joined in August 2025. The team comprises experienced professionals with extensive backgrounds in investment management, fund administration, and distribution.

FundMonitors believes that Seed Partnerships, combined with the investment team at Seed Funds Management, and particularly Nicholas Chaplin's experience in the listed hybrid sector, possess the relevant and required expertise to manage the Fund. Directors and/or partners from both Seed Funds and Seed Partnerships hold equity stakes, ensuring vested interests in the company's success.

Investment Strategy and Process

The Financial Income Fund invests in a diversified portfolio of hybrid securities, senior and subordinated debt, focusing primarily on instruments issued by Australian Prudential Regulation Authority (APRA) regulated issuers. The investment strategy centres on hybrid securities, including subordinated notes and convertible preference shares, which combine elements of both debt and equity. These instruments are either listed on the ASX or traded over-the-counter, and typically offer returns that exceed the 90-day Bank Bill Swap Rate (BBSW) by approximately 300 basis points.

The portfolio typically comprises 40 to 45 positions, aiming to outperform the Solactive Australian Hybrid Index over the suggested time frame (5+ years). The investment approach is actively managed, benefiting from short-term mispricing opportunities within a core holding of capital instruments. The fund is restricted to Australian and New Zealand issuers, thereby avoiding foreign currency exposure and leveraging the team's expertise in APRA regulated markets. The Fund is also available via the Seed Financial Income Fund Active ETF (ASX: SFIF), listed October 2025, which follows the same strategy.

Risk management is integral to the fund's operations, and features comprehensive due diligence, ongoing reviews, and stringent exposure limits to ensure robust portfolio diversification. Nicholas Chaplin retains responsibility for day-to-day investment decisions, supported by the Risk and Investment Committee chaired by Tony Kench. The fund avoids leverage and hedging, maintaining a conservative, low-volatility profile.

Risk Management

The Manager employs a robust and disciplined risk management framework integral to its investment process. Risk governance is supported by the Risk and Investment Committee chaired by Tony Kench, with Nicholas Chaplin retaining final portfolio responsibility. This includes ongoing issuer reviews, capital strength analysis, regulatory assessments, and competitor comparisons. The portfolio undergoes extensive trade sensitivity and stress testing, supported by in-house risk analytics to assess liquidity and market sensitivities.

Key risk factors include macroeconomic indicators such as unemployment, CPI, and GDP, as well as geopolitical issues. Scenario analysis is used to anticipate market conditions, with focus on liquidity constraints and market reactions to economic shifts.

To manage concentration risk and enhance diversification, the fund limits exposure to individual issuers at 25% per entity and 15% per issue. The portfolio is diversified across hybrid instruments, subordinated and senior bonds, and cash, with adjustments to optimise performance. Liquidity is prioritised to facilitate investments and redemptions efficiently, ensuring holdings can be liquidated without materially affecting prices. Risk management is supported by quantitative tools and daily reconciliations with external administrators and custodians, ensuring oversight and reporting.

Operational Procedures

The strategy commenced in 2015, progressing within BondAdviser from 2022, before being novated to Seed Funds Management in March 2024 as the Hybrid Income Fund. In October 2025 the name was changed to the "Financial Income Fund" with all other aspects remaining the same.

Seed Funds Management's operational procedures ensure rigorous compliance and accuracy in its daily activities. Graham Hook serves as the Head of Compliance, overseeing internal compliance and reporting to the Board on any issues. External compliance monitoring is conducted by Evolution Trustees, the Fund's Responsible Entity. A daily reconciliation process ensures the accuracy of unit price calculations, requiring approval from the Investment Manager. Apex Group manages the fund's investment and operational systems, while other key service providers include JPMorgan (Sub-Custodian) and Mont Lawyers (Legal).

In October 2025, the Seed Financial Income Fund Active ETF (ASX: SFIF) was listed on the ASX.

FundMonitors.com highlights that Seed Funds Management ensures compliance through internal and external monitoring by the Responsible Entity, Evolution Trustees, and external auditor, Deloitte Touche Tohmatsu. Daily unit price reconciliations require approval from the Investment Manager and Administrator, ensuring rigorous operational oversight.

Fees, Terms and Conditions

The Manager charges a management fee of 0.55% of Net Asset Value (NAV) per annum, payable monthly, with no performance fees. There is no buy-spread for investments, but a 0.1% sell-spread applies upon exit to cover transaction costs. Income is distributed monthly and can be re-invested or distributed. Investments and redemptions are processed daily, with a minimum initial investment of AU$10,000 and no minimum withdrawal amount. The Fund is structured as a unit trust open to wholesale & retail investors, and is distributed by Seed Partnerships, leveraging a broad network of target brokers, wealth managers, and high-net-worth individuals. It is available off platform via OLIVIA123, and platforms including HUB24, Netwealth, Powerwrap, Praemium and Australian Money Market. In October 2025, the Seed Financial Income Fund Active ETF (ASX: SFIF) was listed on the ASX.

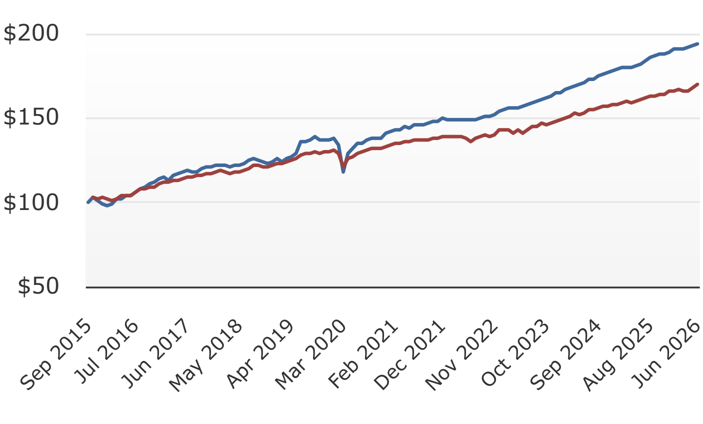
FundMonitors.com notes that Seed Funds Management's Financial Income Fund offers monthly distributions, no buy spread, a minimal sell spread of 0.1%, and no performance fees, maintaining low costs for investors. Confidence in future growth is bolstered by Seed Partnerships' proven distribution and capital-raising capabilities.

Period	Returns		Volatility	
	Fund	Index*	Fund	Index*
Jun 2026:	0.77%	1.19%	N/A	N/A
3 Months:	1.99%	2.26%	N/A	N/A
6 Months:	2.73%	2.63%	N/A	N/A
1 Year:	6.78%	5.88%	1.42%	1.50%
3 Years[2]:	7.25%	5.91%	1.28%	1.81%
5 Years[2]:	5.92%	4.44%	1.43%	2.41%
7 Years[2]:	5.25%	4.12%	6.38%	3.76%
Since Inception[1,2]:	6.38%	4.88%	5.80%	3.34%

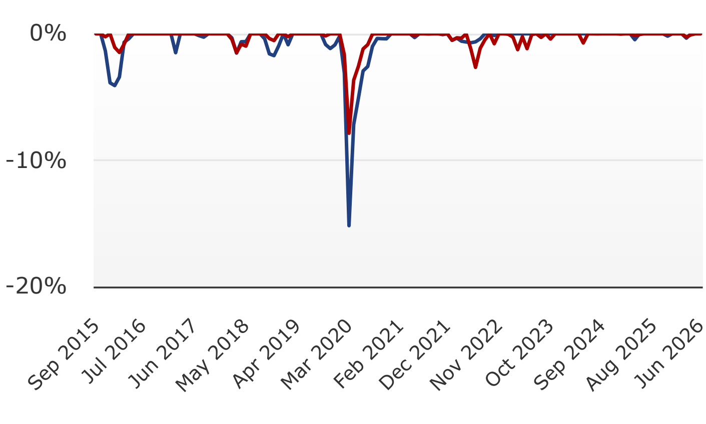
*Solactive Australian Hybrid Securities Index (Net), [1]Since Oct 2015, [2]Annualised

Key Terms			
APIR:	EVO4781AU	Status:	Open
Peer Group:	Australian Bonds / Diversified Fixed Interest	Inception Date:	Sep 2015
Strategy:	Fixed Income	Style:	N/A
Geography:	Australia	Domicile:	Australia
Investors:	Retail	Min. Investment:	AU$ 1
Distributions:	Monthly	Applications:	Daily
Fund Size:	AU$ 429m	Management Fee:	0.55%
Manager FUM:	AU$ 1,506m	Performance Fee:	0.00%

Cumulative Returns



Drawdowns



Management Company & Key Staff

Seed Funds Management Pty Ltd was incorporated February 2024 to manage the Financial Income Fund (FIF), a strategy which commenced in Sep 2015 with Nicholas Chaplin as Portfolio Manager. This was transferred to become the BondAdviser Financial Capital Income Fund in Jun 2022, and was then novated to Seed Funds Management as the Hybrid Income Fund in Mar 2024 prior to the name changing to the Financial Income Fund in October, 2025. Seed Funds Management is owned 60% by Seed Partnerships Pty Ltd and 40% by Nicholas Chaplin, who remains the Senior Portfolio Manager of the Fund.

Chaplin is supported by Risk and Investment Committee Chair Tony Kench and Portfolio Analysts Ned Silva and Joshua McMenamin. The investment team is further supported by Seed Partnerships who have 5 permanent staff, all of whom have significant experience in funds management, and collectively provide a broad background in industry knowledge, fund administration and distribution experience.

Nick Chaplin (Senior Portfolio Manager) has managed the portfolio since its original inception as Paraclete Funds Management in 2015. Tony Kench chairs the Risk and Investment Committee, while Chris Donohoe serves as CEO of Seed Funds Management. The Risk and Investment Committee provides governance and challenge, while Nicholas Chaplin retains final responsibility for portfolio decisions. Seed Funds Management may expand its investment and operational resources as the business develops.

Seed Funds Management is a relatively new enterprise, and the investment team, while each having significant and relevant experience, has not previously worked together. The organisation remains relatively compact but is supported by experienced investment, governance, compliance and distribution personnel.

Key Staff

Nicholas Chaplin
Director and Senior Portfolio Manager
Years in industry: 38, Years at Firm: 3

Chaplin has extensive experience in finance, having worked in the industry since January 1989, specialising in hybrid and structured capital. He co-founded Seed Funds Management after leading NAB's hybrid and structured capital origination business and previously building Westpac's hybrid platform. He managed a $250m hybrid portfolio at CommSec and later ran a Tier 1 hybrid strategy at Paraclete. He is a University of Wollongong and AICD graduate with postgraduate qualifications in applied finance.

Christopher Donohoe
Chief Executive Officer
Years in industry: 34, Years at Firm: 12

Donohoe is founder of Seed Partnerships with CEO experience in funds management, capital raising and listed investment companies. He served on the investment committee of the Future Generation Global Investment Company after acting as co-CEO in its inaugural year. Previously, he was CEO and Director at PM Capital. He is an AICD graduate and holds a Master of Business in Finance from UTS.

Graham Hook
Head of Compliance
Years in industry: 40, Years at Firm: 1

Hook joined as Head of Compliance in December 2025. He has extensive experience in operations and compliance, having worked in the industry since December 1986 across boutique fund managers, including roles at One Investment Group, Investors Mutual Limited and PM Capital. He holds a Bachelor of Commerce, a Graduate Diploma in Applied Corporate Governance and is a Justice of the Peace.

Tony Kench
Chair of Risk and Investment Committee
Years in industry: 40, Years at Firm: 3

Kench has experience across financial markets, equity capital markets, structured products, hybrid securities and wealth management. He held senior institutional banking and capital-markets positions at Commonwealth Bank, including General Manager of Equity Capital Markets. He has extensive experience structuring, executing and distributing hybrid securities and capital-management transactions.

Ned Silva
Portfolio Analyst
Years in industry: 7, Years at Firm: 2

Silva joined the Catholic Diocese Development Fund as an Investment Analyst in 2020, specialising in Hybrid and Subordinated Capital. He then joined ANZ's Capital Markets Debt Syndicate as an Analyst in 2023 before joining Seed in 2024. He holds a Bachelor of Commerce (double major in Finance & Economics) from the University of Notre Dame Australia.

Joshua McMenamin
Portfolio Analyst
Years at Firm: 1

McMenamin is a Portfolio Analyst at Seed Funds Management, specialising in corporate credit analysis. McMenamin has experience across financial services, healthcare, real estate and government sectors. He holds a Bachelor of Commerce in Finance and Accounting from Macquarie University.

FundMonitors.com Comment

- Key staff have extensive financial market experience.
- Chaplin has a significant understanding of the listed hybrid market, including the workings of the regulator, APRA.
- Whilst the individual experience of the investment team is undoubted, they have limited experience working together prior to Seed.
- Chaplin represents key person risk.

Investment Strategy & Process

The Hybrid Market:

The listed hybrid market in Australia includes issues totalling approximately $45 billion across a broad range of financial and corporate issuers. "Hybrid Securities" is a term used to describe securities that combine elements of debt securities and equity securities. This includes subordinated notes, convertible preference shares, and capital notes issued by banks, insurance companies and other companies.

Capital notes, convertible preference shares and preference shares pay discretionary income and rank below subordinated notes, but above ordinary shares. They typically have a perpetual term rather than a fixed maturity, however the securities can be called early at the issuer's discretion and can also be converted into equity by the issuer, investor and/or the financial regulator APRA if certain events occur prior to the security's final maturity.

Subordinated notes or bonds are debt securities that pay interest with a fixed legal maturity that rank below senior bonds but above preferred equity and ordinary shares, and which may be converted into equity by the issuer, investor and/or the banking and insurance regulator if certain events occur prior to the security's final maturity.

Hybrids can be either listed and traded on the ASX, or unlisted and traded OTC ("over the counter") directly between buyer and seller. The Fund may also invest in MCI's (Mutual Capital Instruments), which are perpetual securities (no maturity date) issued by a mutual entity (Mutual). A Mutual is a member-owned organisation that is not listed on any stock exchange but is regulated by APRA. The MCI's themselves may be listed on the ASX or be traded "Over the Counter" (OTC).

Typically, a portfolio of hybrid and subordinated instruments will provide a return over the 90 day BBSW rate of approximately 300 basis points. This is generally an attractive alternative to cash investment or senior bond credit funds that are alternative options within the fixed-income asset class.

APRA has finalised the removal of bank Additional Tier 1 instruments from eligible regulatory capital, with the revised framework commencing on 1 January 2027 and existing instruments transitioning to their first call dates by 2032. The reform applies to bank Additional Tier 1 capital and does not remove Tier 2 or senior debt from the prudential framework.

The Seed Financial Income Fund:

The Investment Manager aims to provide investors with access to an actively managed, low-volatility, diversified portfolio with a core focus on capital instruments issued by Australian APRA-regulated issuers including hybrids and subordinated debt, as well as senior debt.

The fund will also hold senior bonds issued by financial companies such as banks, insurance companies and non-bank financial institutions. Senior bonds have a higher priority than subordinated bonds or other hybrid instruments. The manager can hold cash, but will minimise this in most circumstances.

The portfolio typically consists of 40 to 45 positions, and aims to provide a return in excess of the Solactive Australian Hybrid Index over the suggested time frame of 5+ years. The Manager adopts an active management style aimed at identifying and taking advantage of short-term mis-pricing around a core holding of prudential capital securities.

The fund is limited to issues by Australian or New Zealand issuers only, and there will be no exposure to foreign currencies in managing the portfolio. No hedging or leverage is allowed.

The Manager's active investment style is aimed at identifying and taking advantage of short-term security mispricing around a core holding of hybrid securities. A disciplined risk management framework is a core component of the Fund's investment process. Investment analysis is reviewed within the Fund's governance framework, including the Risk and Investment Committee chaired by Tony Kench. This approach includes comprehensive on-going reviews of issuers, capital strength analysis, broader regulatory expectations and regular competitor comparisons. Existing and potential portfolio exposures are then assessed against comparable market-issued instruments.

The portfolio also undergoes extensive trade sensitivity, stress testing, and portfolio construction analysis utilising in-house risk analytics. Chaplin as the Senior Portfolio Manager will ultimately make the day-to-day investment decisions, consistent with the investment strategy, and within the Fund's investment objective and risk tolerance.

The Investment Manager utilises the following investment criteria as part of the risk management process to create the strongest platform to achieve the Fund's investment objective:

- Investments restricted to Australian and New Zealand issuers, avoiding FX risk and aligning the portfolio with APRA regulated markets and the Manager's expertise.
- Portfolio is predominantly floating rate; fixed rate bonds are limited to maintain overall duration targets.
- Concentration controlled through limits of up to 25% per issuer and 15% per security to maintain diversification.

The Fund is positioned to adjust its allocation as bank Additional Tier 1 securities transition from the prudential framework, subject to strategic ranges of 40%-80% subordinated bonds, 0%-40% hybrids, 0%-20% senior bonds and 0%-20% cash.

The Fund is also available as a quoted class of units under the Seed Financial Income Fund Active ETF (ASX: SFIF), listed in October 2025; SFIF follows the same strategy and portfolio as the unlisted class, with pre-listing performance reflecting the underlying fund and post-listing performance reflecting SFIF.

FundMonitors.com Comment

The strategy provides diversified exposure across senior, subordinated and hybrid financial securities and may adjust allocations as bank Additional Tier 1 instruments transition.

The investment team provides the specialised expertise, knowledge and understanding of the hybrid market that is required to ensure a satisfactory outcome.

Risk Management

A disciplined risk management framework underscores the Manager's investment process. Investments undergo due diligence by the investment team, supported by the Risk and Investment Committee chaired by Tony Kench. The process includes comprehensive and on-going review of issuers, capital strength analysis, broad regulatory expectations,and regular competitor comparisons.

Existing and potential portfolio exposures are then assessed against comparable market-issued instruments. The portfolio also undergoes extensive trade sensitivity, stress testing, and portfolio construction analysis utilising in-house risk analytics. Chaplin and the investment analysts conduct day-to-day portfolio analysis within the Fund's investment objective, strategy and risk limits. Final investment decisions are made by Nicholas Chaplin as Director and Senior Portfolio Manager.

Key risk factors that are considered include macro-economic impacts such as unemployment, CPI, and GDP announcements, as well as day-to-day geo-political influences as they occur. The market's sensitivity to these factors is considered as an ongoing risk factor and is constantly monitored.

Other key risk factors include individual instrument and portfolio liquidity, market sensitivity to price and margin levels, and the influence of prudential regulation. Scenario analysis is utilised to prepare for situations that may arise. These are particularly focused around liquidity constraints, along with historic analysis of market reactions to macro-economic impacts.

Individual exposures and broad exposures to individual issuers are limited, such that concentration risk is managed and portfolio diversification is enhanced. The Manager aims to hold a maximum portfolio exposure of 25% to a single issuing entity, while single issues are limited to a maximum exposure of 15% of the portfolio.

The portfolio has a broad intra-portfolio allowance for the key asset classes of hybrid, subordinated bonds, senior bonds and cash. Typically, one asset class will not dominate the portfolio but the manager will continuously move the proportional holdings of these asset classes as provides the optimal performance outcome. No strict limits are in place.

As at June 2026, the split in assets are as follows:

- Hybrids: 36.40%
- Tier 2 subordinated securities: 55.52%
- Senior securities: 7.50%
- Cash: 0.58%

By 2030 Hybrids are expected to be 15%, and Tier 2 capital 75%.

Liquidity is a key focus in order to fund new investment opportunities and any potential portfolio redemptions. The listed hybrid holdings together with the subordinated bonds held in the portfolio are assessed for liquidity regularly to ensure that holdings can be liquidated quickly without materially impacting the market price. This process incorporates assessment of daily trading volumes for listed issues, and a focus on minimum issue volumes and market-making trading activity for OTC bonds.

Seed Funds Management uses quantitative risk management tools to assess risk. For internal risk management, proprietary models are used and reconciled daily to the external Fund Administrator, Custodian (Apex) and Sub-Custodian (JPMorgan) who also are contracted to monitor and report on risk management. All other risks are managed by the Seed Funds Management risk management policy.

FundMonitors.com Comment

Risk management is integrated into and within the investment process.

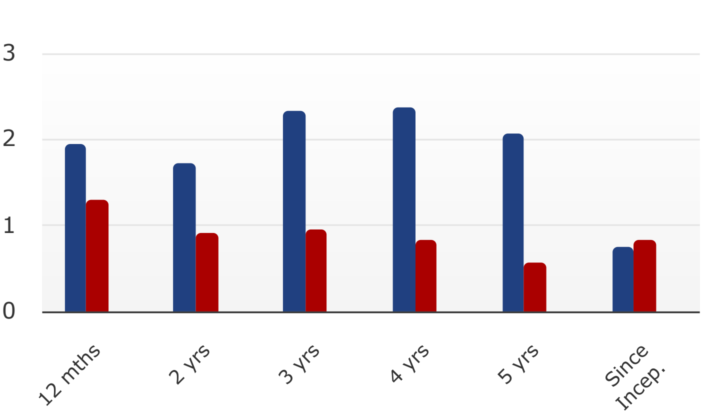
The fund only invests in issues by Australian and NZ institutions in Australian dollars ensuring there is no currency risk.

No hedging or leverage is employed.

40-45 positions represents good diversification, with concentration limited by issuer (max 25%) and issue (15%).

Interest rate risk is managed by predominantly holding floating rate instruments.

Sharpe Ratio



Key Statistics[1]		
	Fund	**Index***
Sharpe:	0.75	0.84
Sortino:	1.00	1.16
Best Month:	9.44%	4.55%
Worst Month:	-12.46%	-6.31%
Average Monthly Return:	0.53%	0.40%
Up-Capture Ratio:	131%	N/A
Down-Capture Ratio:	98%	N/A
Maximum Drawdown:	-15.18%	-7.87%

*Solactive Australian Hybrid Securities Index (Net), [1]Since Oct 2015

Operational Procedures

The strategy commenced in 2015, progressing within BondAdviser from 2022, before being novated to Seed Funds Management in March 2024 as the Hybrid Income Fund. In October 2025 the name was changed to the "Financial Income Fund" with all other aspects remaining the same.

Compliance is monitored internally. Graham Hook acts as the Head of Compliance for the Investment Manager. As Head of Compliance, Hook reports to the Board if there are any issues or exceptions.

The Responsible Entity, Evolution Trustees, also monitors fund compliance interdependently, with reporting on an ongoing basis between the Investment Manager.

Staff are provided with details of the Compliance Policy and are regularly updated on changes to regulatory aspects impacting on the Investment Manager.

Seed Funds Management has a formal compliance incidence and breach register where it records any breaches.

No breaches have been reported since the formation of Seed Funds Management.

The Compliance Plan of the fund has been produced by the Responsible Entity (Evolution Trustees) and is audited by Deloitte Touche Tohmatsu.

A daily reconciliation is performed in advance of approving each day's unit price calculation and holding report (including individual holding prices). This includes reconciliation of the number of units, and individual prices of holdings. Future settlements are noted as part of the calculations. Approval is required from the Investment Manager (via the Senior Portfolio Manager) before the unit price can be accepted and published.

Performance is calculated only from approved data provided by the Administrator. The two-way approval process, with monitoring by the Responsible Entity, provides significant assurance to the accuracy of published performance numbers.

The investment and operational systems are generally managed externally by the fund's administrator Apex Group.

Service Providers	
Trustee/RE:	Evolution Trustees Limited
Custodian:	Apex Fund Services Pty Ltd
Administrator:	Apex Fund Services Pty Ltd
Auditor:	Deloitte Touche Tohmatsu
Legal Services Provider:	Mont Lawyers
Prime Broker:	N/A

FundMonitors.com Comment

Compliance is monitored both internally and independently of the investment team, and externally by the Responsible Entity, Evolution Trustees.

Daily reconciliation of unit prices, with approval required from the Investment Manager prior to acceptance and publication.

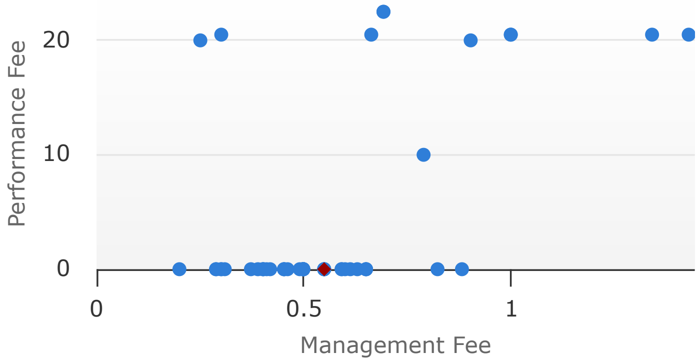
Compliance plan monitored by an external auditor, Deloitte Touche Tohmatsu.

Fees, Terms & Conditions

Terms & Fees

Management fees are 0.55% of Net Asset Value (NAV), payable monthly. The manager does not charge a performance fee.

There is no buy-spread charged when investing in the fund, however, there is a sell-spread of 0.1% on exit to cover transaction costs. Realised income is distributed monthly and may be re-invested or distributed at the investor's discretion.



Investments and redemptions can be made daily, with a minimum initial investment amount of AU$1 and a minimum additional investment amount of AU$1. There is no minimum withdrawal amount.

Investor Relations

The fund issues a monthly performance report to investors which includes the following key information:

- Recent performance
- Long-term performance
- Net returns
- Top holdings
- Performance attribution
- Market outlook

Structure & Compliance

The fund is a ETF domiciled in Australia and is open to Retail investors. Seed Funds Management is a Corporate Authorised Representative (Number 001308397) of Seed Partnerships Pty Ltd (AFSL 492973).

The strategy commenced in 2015, progressing within BondAdviser from 2022, before being novated to Seed Funds Management in March 2024 as the Hybrid Income Fund. In October 2025 the name was changed to the "Financial Income Fund" with all other aspects remaining the same.

Distribution & Marketing

Distribution is managed by Seed Partnerships Pty Ltd (parent company). Staff at Seed Partnerships are highly experienced in the distribution of managed funds and have an extensive network of investor relationships with which to market the fund. Target markets include brokers, wealth management firms, family offices, self-managed super funds, and high-net-worth individuals. FUM is steadily growing through these relationships and as a result of outperformance and expertise demonstrated through regular education on pertinent asset class performance in the marketplace.

Applications for the Fund can be made off-platform via www.olivia123.com using this link.

The Financial Income Fund is also available as a managed fund. Seed Funds Management Financial Income Fund APIR: EVO4781AU.

Available on Investment Platforms

HUB24, Netwealth, Praemium

FundMonitors.com Comment

Monthly distribution provides investors with a regular income stream.

No buy spread and a low sell spread of 0.1%, coupled with no performance fee, keeps fees on the low side.

Available as a managed fund. Seed Funds Management Financial Income Fund APIR: EVO4781AU.

Although relatively early in the Manager's history, Seed Partnerships' track record in distribution and capital raising provides confidence that the FUM will grow substantially.

FundMonitors.com
Trusted Targeted Research

FACTORS Report
Seed Financial Income Fund Active ETF (ASX:SFIF)

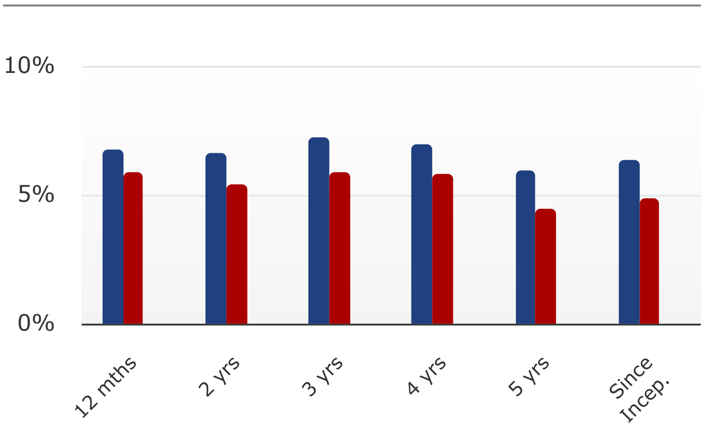
Performance Summary as at Jun 2026

The Seed Financial Income Fund Active ETF (ASX:SFIF) has a track record of 10 years and 9 months and has outperformed the Solactive Australian Hybrid Securities (Net) benchmark since inception in October 2015, providing investors with an annualised return of 6.38% compared with the benchmark's return of 4.88% over the same period.

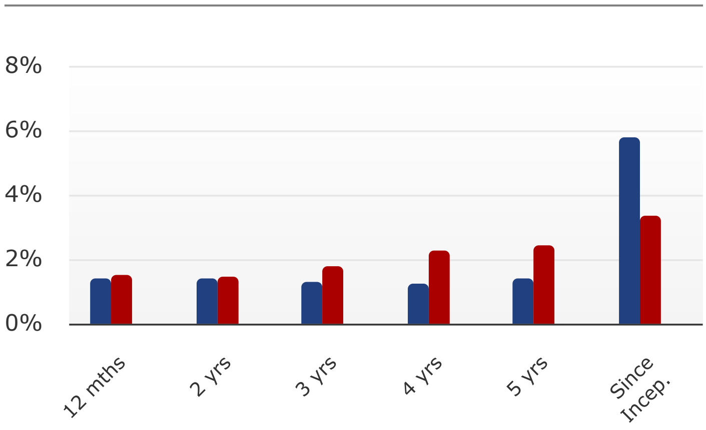
On a calendar year basis, the fund hasn't experienced any negative annual returns in the 10 years and 9 months since its inception. Over the past 12 months, the fund's largest drawdown was -0.35% vs the index's -0.25%, and since inception in October 2015 the fund's largest drawdown was -15.18% vs the index's maximum drawdown over the same period of -7.87%. The fund's maximum drawdown began in October 2019 and lasted 1 year and 2 months, reaching its lowest point during March 2020. The fund had completely recovered its losses by December 2020.

The Manager has delivered these returns with 2.46% more volatility than the benchmark, contributing to a Sharpe ratio which has consistently remained above 1 over the past five years and which currently sits at 0.75 since inception. The fund has provided positive monthly returns 90% of the time in rising markets and 42% of the time during periods of market decline, contributing to an up-capture ratio since inception of 131% and a down-capture ratio of 98%.

Annual Returns



Standard Deviation

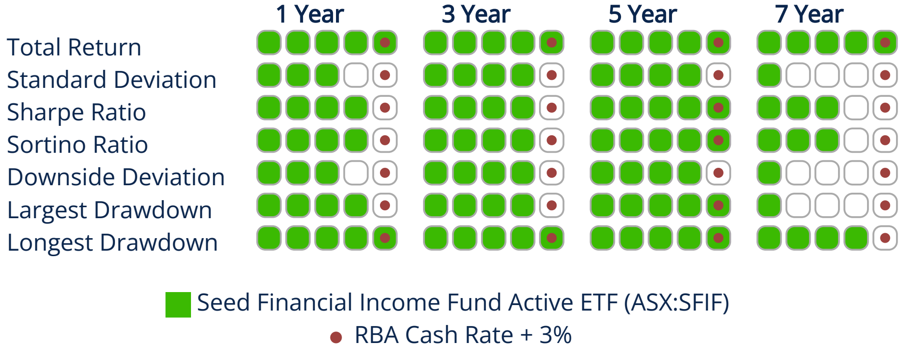


Quintile Ranking vs. Australian Bonds / Diversified Fixed Interest as at June 2026

The performance of the Seed Financial Income Fund Active ETF (ASX:SFIF) ranked it in the first quintile for Total Return over 7 years, while over 3 & 5 years the fund ranked in the first or second quintile for all KPIs. Over 1 year it ranked in the first or second quintile for all KPIs except Volatility and Downside Deviation.

Over the past 12 months, the fund has risen by +6.78% compared with the peer group which has returned an average of +4.57%, for a difference of +2.21%.

The fund's returns over the past 12 months have been achieved with a volatility of 1.42% vs the peer group's average volatility of 1.32%. The annualised volatility of the fund's returns since inception in October 2015 is 5.8% vs the peer group's 2.13%. Over all other periods, the fund's volatility relative to the peer group has been varied.



Quintile Rankings display Key Performance Indicators (KPI's) against the fund's Peer Group. Each green square ranks the fund in one quintile (or 20%) of its peer group - five green squares indicate the fund is in the best quintile for each KPI. The performance of the peer group's underlying index is shown by a red dot.

Performance Review (Peer Group: Australian Bonds / Diversified Fixed Interest)

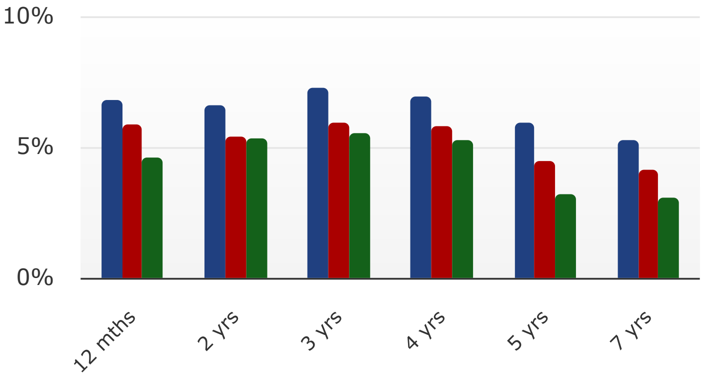
The Seed Financial Income Fund Active ETF (ASX:SFIF) rose by +0.77% in June, a difference of -0.42% compared with the Solactive Australian Hybrid Securities (Net) benchmark which rose by +1.19%. Over the past 12 months, the fund's best monthly return was +1.19% compared with the benchmark's best return of +1.19%, and its worst monthly return was -0.35% vs the benchmark's worst return over the same period of -0.25%.

Only ten years of data shown.

Year	Jan %	Feb %	Mar %	Apr %	May %	Jun %	Jul %	Aug %	Sep %	Oct %	Nov %	Dec %	YTD %
2026	0.71	0.36	-0.35	0.65	0.56	0.77	NA	NA	NA	NA	NA	NA	2.73
2025	0.46	0.69	0.02	-0.47	0.90	0.49	1.19	0.74	0.63	0.80	-0.19	0.71	6.14
2024	0.45	0.75	0.72	0.84	0.40	0.61	0.98	0.28	0.76	0.97	0.41	0.76	8.23
2023	0.59	0.59	0.08	0.41	0.17	0.63	1.09	0.62	0.58	0.23	0.89	1.03	7.12
2022	-0.52	0.18	-0.26	-0.06	-0.06	0.07	0.24	0.76	0.67	-0.14	0.79	1.07	2.77
2021	1.16	0.58	0.08	0.99	-0.30	1.18	0.04	0.11	0.58	0.73	-0.07	1.18	6.45
2020	0.69	-2.93	-12.46	9.44	2.22	2.29	0.36	1.63	0.63	-0.02	-0.01	1.78	2.27
2019	0.96	-0.87	1.38	0.81	1.72	5.00	0.43	0.29	1.30	-0.85	-0.33	0.30	10.51
2018	0.38	-0.32	-1.22	0.91	0.01	0.98	1.40	0.77	-0.40	-1.20	-0.14	0.79	1.96
2017	1.03	-1.50	1.85	1.27	1.11	0.18	-0.15	-0.12	1.69	0.70	0.11	0.64	6.99

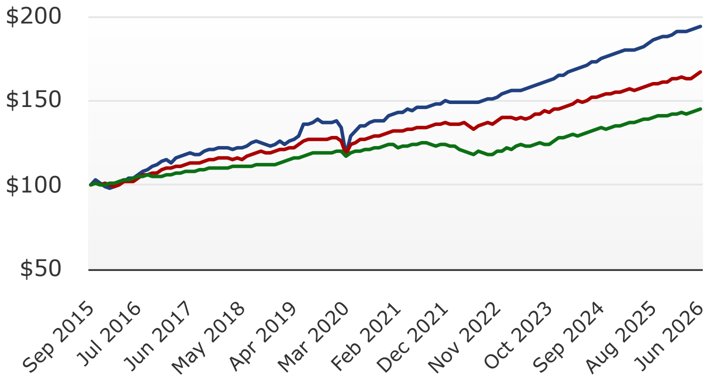
Annual Returns

Over the past 12 months, the fund has risen by +6.78% compared with the benchmark which has returned +5.88%, for a difference of +0.90%. Since inception in October 2015, the fund has returned +6.38% per annum, a difference of +1.50% relative to the benchmark which has returned +4.88% on an annualised basis over the same period.



Cumulative Returns

On a cumulative basis (assuming reinvestment of distributions), $100 invested since inception would have become $194. The same amount invested in the benchmark over the same period would have become $166.

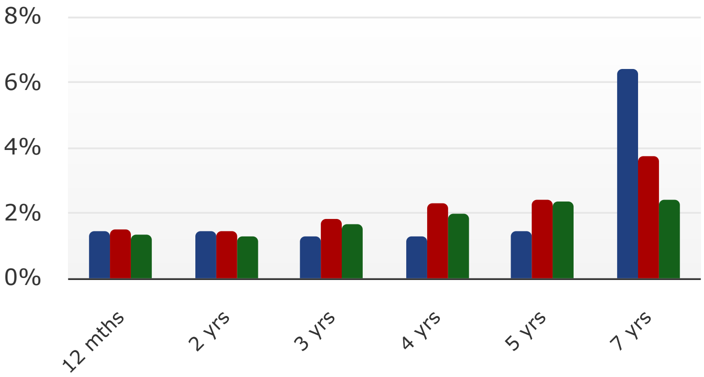


Fund Index Peer group

Volatility and Risk

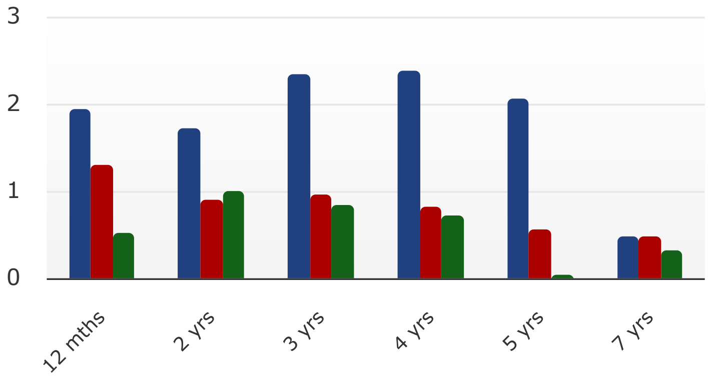
Annual Standard Deviation

The fund's returns over the past 12 months have been achieved with a volatility of 1.42% vs the index's 1.5%. The annualised volatility of the fund's returns since inception in October 2015 is 5.8% vs the index's 3.34%. Over all other periods, the fund's returns have been consistently less volatile than the benchmark.



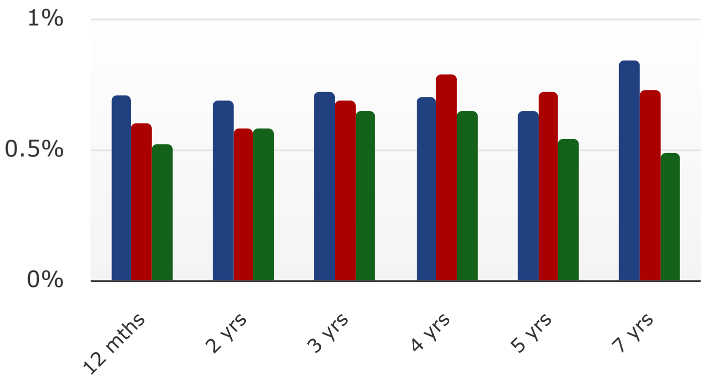
Sharpe Ratio

The fund's Sharpe ratio has ranged from a high of 2.38 for performance over the most recent 48 months to a low of 1.73 over the latest 24 months, and is 0.75 for performance since inception. By contrast, the Solactive Australian Hybrid Securities (Net) Index's Sharpe for performance since October 2015 is 0.84.



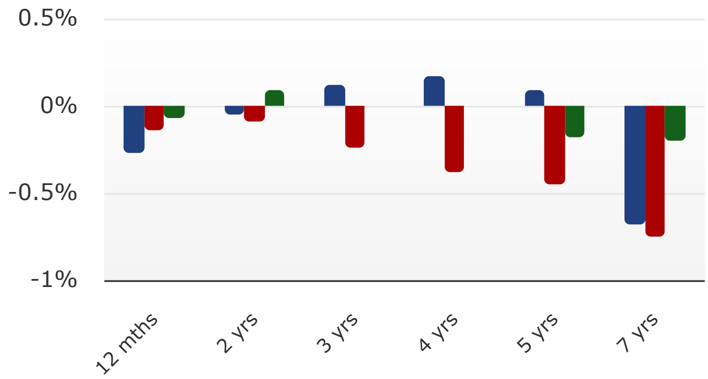
Performance in Positive Markets

Since inception in October 2015 in the months where the market was positive, the fund has provided positive returns 90% of the time



Performance in Negative Markets

Since inception in October 2015 in the months where the market was negative, the fund has provided positive returns 42% of the time, contributing to a down-capture ratio for returns since inception of 98.27%. Over all other periods, the fund's down-capture ratio has ranged from a high of 192.14% over the most recent 12 months to a low of -52.14% over the latest 36 months. A down-capture ratio less than 100% indicates that, on average, the fund has outperformed in the market's negative months, and a negative down-capture ratio indicates that, on average, the fund delivered positive returns in the months the market fell.



Fund Index Peer group

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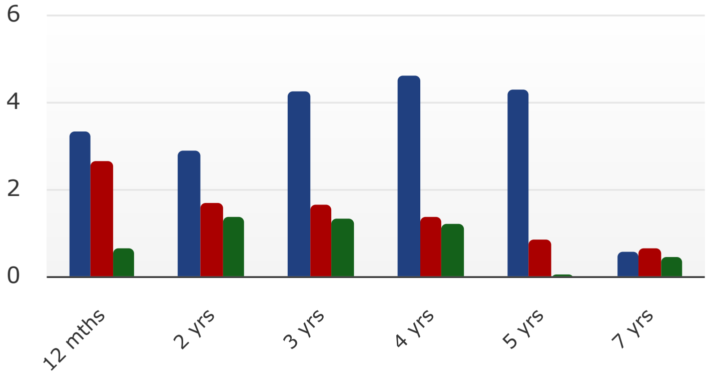
Trusted Targeted Research

FACTORS Report

Seed Financial Income Fund Active ETF
(ASX:SFIF)

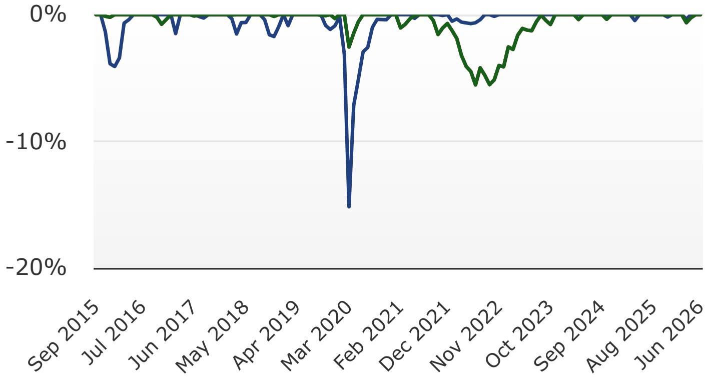
Sortino Ratio

The fund's Sortino ratio (which excludes volatility in positive months) has ranged from a high of 4.6 for performance over the most recent 48 months to a low of 2.87 over the latest 24 months, and is 1.00 for performance since inception. By contrast, the Solactive Australian Hybrid Securities (Net) Index's Sortino for performance since October 2015 is 1.16.

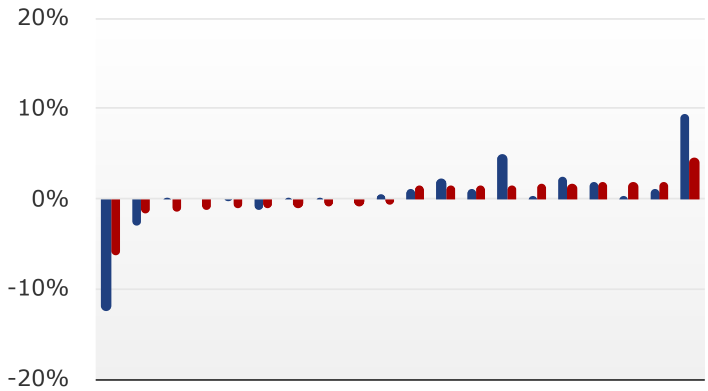


Drawdown

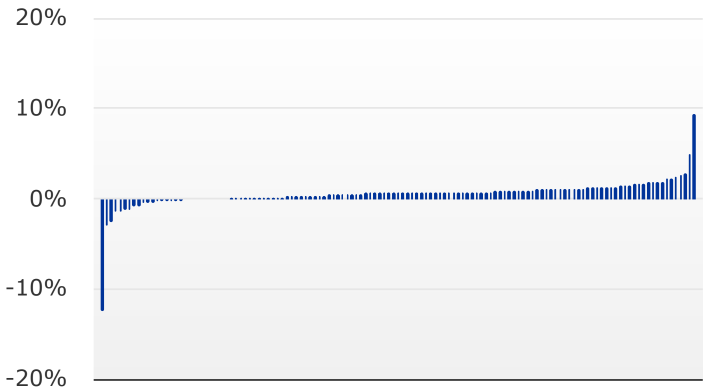
Over the past 12 months, the fund's largest drawdown was -0.35% vs the index's -0.25%, and since inception in October 2015 the fund's largest drawdown was -15.18% vs the index's maximum drawdown over the same period of -7.87%.



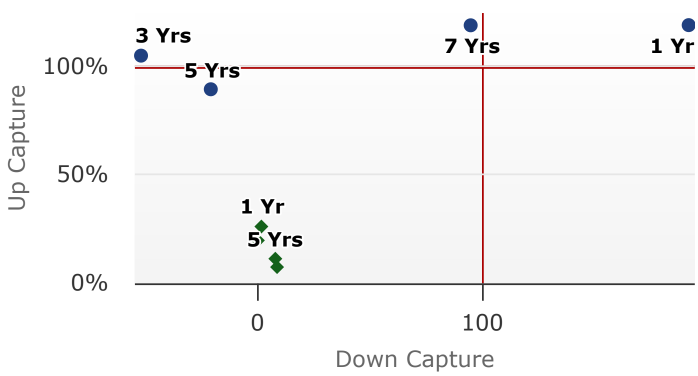
Return in Index's 10 Best & 10 Worst Months %



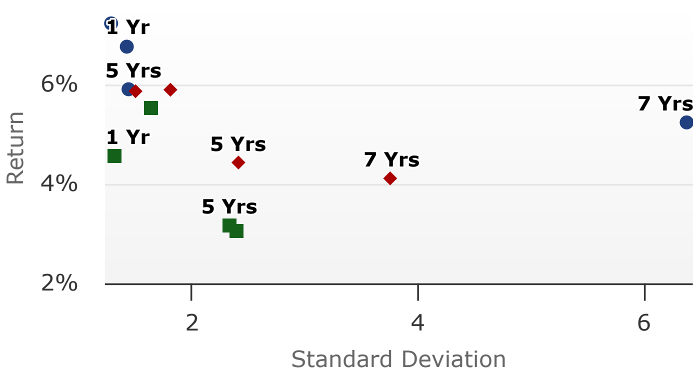
Distribution of Returns



Up-capture vs Down-capture



Standard Deviation vs Return



Fund Index Peer group

FACTORS Report

Seed Financial Income Fund Active ETF (ASX:SFIF)

Annual Returns and Analytics	12 months	24 months	36 months	48 months	60 months	Inception
Fund Annual Return per annum	6.78%	6.61%	7.25%	6.93%	5.92%	6.38%
Index Annual Return per annum	5.88%	5.40%	5.91%	5.81%	4.44%	4.88%
Fund Cumulative Return (on $100)	$106.78	$113.65	$123.35	$130.75	$133.29	$194.40
Index Cumulative Return (on $100)	$105.88	$111.09	$118.81	$125.36	$124.24	$166.82
Fund Annualised Standard Deviation	1.42	1.42	1.28	1.26	1.43	5.80
Index Annualised Standard Deviation	1.50	1.44	1.81	2.29	2.41	3.34
Fund Sharpe Ratio	1.95	1.73	2.34	2.38	2.07	0.75
Index Sharpe Ratio	1.30	0.91	0.96	0.83	0.57	0.84
Fund Sortino Ratio	3.31	2.87	4.25	4.60	4.27	1.00
Index Sortino Ratio	2.64	1.69	1.63	1.35	0.84	1.16
Monthly Returns and Analytics	**12 months**	**24 months**	**36 months**	**48 months**	**60 months**	**Inception**
Fund Average monthly return	0.55%	0.53%	0.58%	0.56%	0.48%	0.53%
Index Average monthly return	0.48%	0.44%	0.48%	0.47%	0.36%	0.40%
Fund % of Positive Months	83%	88%	92%	92%	85%	78%
Index % of Positive Months	83%	79%	78%	73%	70%	75%
Fund Average +ve Return	0.71%	0.66%	0.67%	0.64%	0.61%	0.97%
Index Average +ve Return	0.60%	0.58%	0.69%	0.79%	0.72%	0.75%
Fund Best Month	1.19%	1.19%	1.19%	1.19%	1.19%	9.44%
Index Best Month	1.19%	1.19%	1.47%	1.90%	1.90%	4.55%
Fund Average -ve Return	-0.27%	-0.34%	-0.34%	-0.29%	-0.23%	-1.04%
Index Average -ve Return	-0.14%	-0.09%	-0.24%	-0.38%	-0.45%	-0.66%
Fund Worst Month	-0.35%	-0.47%	-0.47%	-0.47%	-0.52%	-12.46%
Index Worst Month	-0.25%	-0.25%	-0.73%	-0.99%	-1.48%	-6.31%
Fund Largest Drawdown	-0.35%	-0.47%	-0.47%	-0.47%	-0.71%	-15.18%
Index Largest Drawdown	-0.25%	-0.25%	-0.73%	-1.26%	-2.66%	-7.87%
Fund Downside Deviation	0.84	0.85	0.70	0.64	0.64	4.16
Index Downside Deviation	0.73	0.77	1.05	1.41	1.56	2.36
Performance in Positive Markets	**12 months**	**24 months**	**36 months**	**48 months**	**60 months**	**Inception**
Number of months market was positive	10	19	28	35	42	97
Fund % positive months, when market positive	100%	100%	100%	100%	95%	90%
Cumulative Fund return in positive market	7.36%	13.96%	22.15%	27.83%	31.18%	138.57%
Cumulative Index return in positive market	6.18%	11.60%	21.10%	31.68%	34.84%	105.54%
Up Capture Ratio	119.05%	120.29%	104.98%	87.87%	89.48%	131.30%
Performance in Negative Markets	**12 months**	**24 months**	**36 months**	**48 months**	**60 months**	**Inception**
Number of months market was negative	2	5	8	13	18	31
Fund % positive months, when market negative	0%	40%	63%	69%	61%	42%
Cumulative Fund return in negative market	-0.54%	-0.27%	0.98%	2.28%	1.61%	-18.51%
Cumulative Index return in negative market	-0.28%	-0.46%	-1.89%	-4.80%	-7.86%	-18.84%
Down Capture Ratio	192.14%	58.33%	-52.14%	-47.61%	-20.54%	98.27%

AFM FACTORS Process and Methodology:

The processes involved in AFM FACTORS Research include:

- Extensive interviews with the directors, key staff and service providers of the Management Company and the fund.
- Objective analysis of the responses to interviews and questionnaires regarding the Fund's Investment Strategy & Risk Processes.
- Objective analysis of the responses to interviews and questionnaires regarding the Operational Processes, Compliance and Risks of the Management Company and Fund.
- Analysis of the Fund's documentation, Fees, Terms, Conditions and Investor Relations.
- Quantitative analysis of the Fund's track record to provide key performance and risk indicators.

The quantitative approach to the FACTORS reports is adjusted following qualitative assessment by AFM's Investment Committee depending on the level of conviction attached to each score. This score is weighted and calculated as a percentage in the tables below.

FACTORS Rating, Weightings and Scoring Methodology

	Category and Factors considered	Weighting to Total
1	**Management Company & Key Staff:** Includes board composition and independence; meetings and processes; relevance, depth and experience of key staff; overall staffing levels; staff turnover; roles and separation of duties; equity in management company; co-investment in the fund.	25%
2	**Investment Strategy & Process:** Edge; logical and clear; difference; research sources; consistency; liquidity; processes; derivatives; currency; concentration;	25%
3	**Risk Management:** Separation of risk management; risk limits and processes; risk committee.	20%
4	**Operational Procedures:** Back office; trade processes; compliance; counterparties; IT systems; disaster recovery; insurance; AML; service providers.	20%
5	**Fees, Terms & Conditions:** Liquidity; investment and redemption terms; management fees; performance fees; HWM; hurdles; reporting; transparency.	10%
	Total	**100%**

Flags

FACTORS reports use a series of Comments boxes with Flags to denote areas which are believed to be of interest or relevance to Advisors and Investors. These are provided as a guide only and do not guarantee that the points raised or opinions noted (red or yellow flag) are the sole risks involved, or that a positive comment (green flag) indicates that there is no risk involved in the investment.

Denotes an area which FACTORS Research considers to be positive, or exceeds general industry standards, taking into account the Manager's size or Fund strategy.

Denotes an area that investors should be aware of, but is not considered to be either a major issue, or is appropriate given the circumstances.

Denotes an area or factor which is considered to be a serious weakness, or might cause investors to avoid the Manager or Fund.

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Each fund is allocated to a Peer Group and a Strategy. This allows funds to be sorted into lists or tables, allowing them to be compared on a similar basis. There are 17 Peer Groups, and over 20 different investment strategies to allow users to choose different methods of sorting funds. Comparisons are organised in a series of tables or tabs covering different sections of information - historical monthly performance, various risk factors, key investment terms & fees, and service providers. There are also tabs to show each fund's performance and risk statistics vs. its peers over 1, 3, 5 and 7 years, and a guide to what research ratings the fund may have, and which platforms they may be available on.

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AFM FACTORS Research

AFM FACTORS Reports consist of in depth and detailed due diligence reports on specific funds and are designed for use by the research departments of dealer groups, financial advisers, and platforms. FACTORS Research Reports provide a quantitative approach to a range of operational and due diligence factors, which combined with a detailed qualitative assessment and detailed performance and risk analysis, is designed to provide the user with sufficient information to understand the fund manager's investment strategy, operational functions and capabilities. The performance and risk analysis in AFM FACTORS Research Reports is updated monthly.