seed FUNDS MANAGEMENT

Fund Dashboard

31 July 2026

6.40%

Running Yield*

A

Weighted Average Portfolio Issuer Rating

BBB+

Weighted Average Portfolio Security Rating

100%

Portfolio Floating Rate

0.13 Years

Weighted Average Interest Rate Duration^

4.0 Years

Weighted Average Credit Duration^

4.7 Years

Weighted Average Term to Call

33

Number of Holdings

$487 million

Current FUM

Source: Seed Funds Management. As at 31 July 2026.

*Running yield is an estimate of underlying portfolio gross yield before active management as at 31 July 2026 and is not a forecast of future distributions.

^Maximum duration of 1.

ASX:SFIF

Financial Income Fund

Monthly Report – July 2026

Financial Income Fund Strategy Net Performance[1]

31 July 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]	0.48%	1.82%	2.49%	6.03%	7.03%	6.01%	6.27%	6.38%	
Hybrid Benchmark (Solactive[2])	0.08%	2.16%	2.52%	5.27%	5.43%	4.44%	4.84%	4.84%	+1.54%
RBA Cash Rate[4]	0.36%	1.09%	2.09%	3.95%	4.20%	3.20%	2.12%	2.11%	+4.27%

[1]Fund returns are calculated net of management fees, inclusive of franking credits, and assuming all distributions are re-invested. Returns can be volatile, reflecting moves in the value of underlying investments. [2]Refers to the Solactive Australian Hybrid Securities Index (Net). Net refers to net total return. Fund returns are net of management fees and inclusive of franking credits.

Management Insights

The Fund recorded a net return of 0.48% during July, continuing to deliver a positive income return in a month characterised by heightened geopolitical volatility and limited activity in the domestic primary market. The higher cash-rate environment has been supportive of our fixed-income returns through 2026, particularly for floating-rate securities, where coupons have reset upwards while interest-rate duration has remained low. The portfolio remained 100% invested in floating-rate securities at month end.

While the latest inflation release was modestly softer, with annual CPI easing from 4.0% in May to 3.8% in June, we do not regard one lower observation as evidence that inflationary pressures have been contained. Importantly, annual trimmed mean inflation remained unchanged at 3.6%, still well above the RBA's 2–3% target range. We also expect the July CPI reading to move higher, reinforcing our view that it would be premature to add fixed-rate duration to the portfolio.

In our view, the Australian economy continues to display considerable resilience despite the tightening in monetary policy already delivered. The June labour-force report was particularly strong: employment increased by 76,000 and the unemployment rate remained low at 4.4%. The persistence of a tight labour market suggests that aggregate demand and household incomes are continuing to provide support to the economy. It also gives the RBA scope to tighten policy further without creating an undue risk of a sharp deterioration in activity.

We believe the RBA still has more work to do to return inflation to a sustainable target. Although monetary policy is already restrictive, with the cash rate currently at 4.35%, the combination of elevated underlying inflation, resilient employment and ongoing capacity pressures argues for at least one further increase in the cash rate. We believe a rise to 4.60% is warranted before the end of 2026.

Primary issuance was subdued during July. Geopolitical volatility in the Middle East, together with the approaching Australian corporate reporting season, encouraged issuers to remain on the sidelines. Banks generally prefer to issue after results, when investors can assess current financial and capital information. We therefore expect activity to resume from the second week of August.

Despite the lull in new issues, the market did see both Challenger and Bank of Queensland price successful primary issues of Annuity Linked-Senior and Subordinated Bonds respectively. We bought into both issues.

We noted that the reduced new supply provided some technical support to secondary-market spreads, as investor demand continued to be directed towards the limited stock available. Nevertheless, we avoided chasing securities at unattractive valuations. A fuller August calendar should offer better opportunities to deploy cash into new issues with appropriate structures, pricing and compensation for subordinated risk.

Commonwealth Bank will announce its full-year results on 12 August and appears a likely candidate to lead the reopening of the financial primary market. CBA has $1.5 billion of Tier 2 securities scheduled for call on 20 August, followed by a further $1.18 billion of CBAPJ capital securities reaching their first optional call date in October. These upcoming calls create a meaningful refinancing requirement. We consequently anticipate a sizeable new Tier 2 transaction, subject to market conditions and CBA's post-results funding plans.

The Fund enters August with a defensive interest-rate profile, positive floating-rate income and capacity to participate in the expected return of new issuance. We remain patient and selective, with capital preservation and disciplined security selection continuing to guide portfolio construction.

[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 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.

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Portfolio Features

Tier 1, Tier 2 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

Macq Bank Sub Notes Aug 2036

ANZ Sub Notes Feb 2037

BOQ Sub Notes July 2036

CBA Sub Notes Mar 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

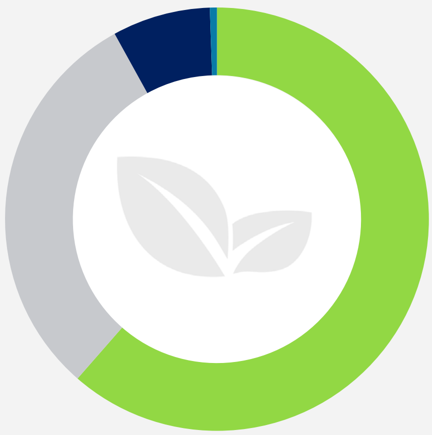
Wholesale IM

ASX Active ETF
APIR: EVO4781AU
(ASX: SFIF)

Portfolio Holdings

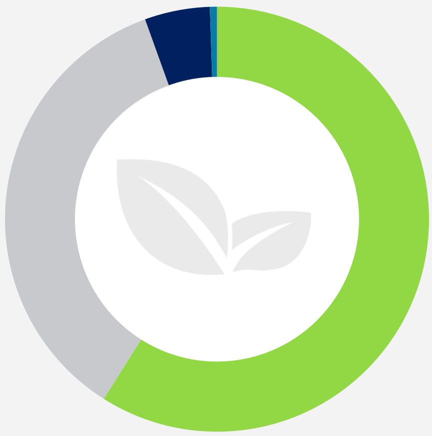
(as at 31 July 2026)

Asset Allocation



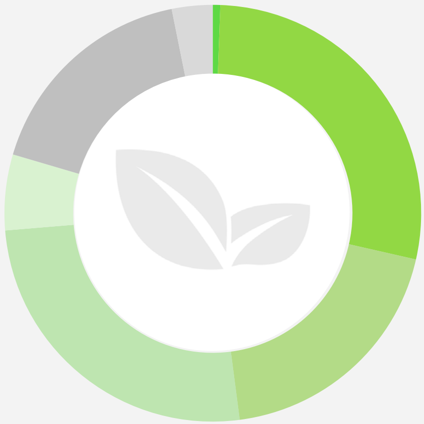
Tier 2 – 61.43%
Tier 1 – 30.55%
Senior – 7.48%
Cash – 0.54%

Sector Allocation



Bank – 58.97%
Insurance – 35.52%
Non-bank – 4.97%
Cash – 0.54%

Issuer Credit Rating Allocation[2]



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

- AAA (0.58%)
- AA- (27.98%)
- A+ (19.37%)
- A (25.75%)
- A- (5.87%)
- BBB+ (17.28%)
- BBB (3.17%)

79.55% rated **A-** or above

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

Platform Availability

ASX, BT Panorama, MACQUARIE, praemium, HUB24, netwealth, MASON STEVENS, FNZ, AUSTRALIAN MONEY MARKET, Colonial First State, APEX

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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