SEED FUNDS MANAGEMENT

Fund Dashboard

31 August 2026

6.40%

Running Yield*

A+

Weighted Average Portfolio Issuer Rating

BBB+

Weighted Average Portfolio Security Rating

100%

Portfolio Floating Rate

0.15 Years

Weighted Average Interest Rate Duration^

4.3 Years

Weighted Average Credit Duration^

5.3 Years

Weighted Average Term to Call

30

Number of Holdings

$530 million

Current FUM

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

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

^Maximum duration of 1.

ASX:SFIF

Financial Income Fund

Monthly Report – August 2026

Financial Income Fund Strategy Net Performance[1]

31 August 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]	0.21%	1.46%	2.34%	5.47%	6.89%	6.05%	6.18%	6.35%	
Hybrid Benchmark (Solactive[2])	0.26%	1.52%	2.33%	4.65%	5.62%	4.50%	4.72%	4.83%	+1.52%
RBA Cash Rate[4]	0.36%	1.09%	2.14%	4.01%	4.20%	3.28%	2.14%	2.12%	+4.23%

[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

Listed hybrid prices were volatile during August, while a significant volume of new bond supply also placed pressure on secondary-market valuations. These movements moderated the Fund's reported monthly return. Importantly, however, they predominantly reflected changes in market pricing rather than any deterioration in issuer fundamentals or the portfolio's income-generating capacity. The Fund accrued future distributions broadly in line with its expected running yield, supporting the consistency of regular investor distributions. While day-to-day prices will naturally fluctuate, the underlying income from the portfolio's securities continues to be earned, and temporary price movements would ordinarily be expected to diminish as securities approach their call or maturity dates.

July inflation data, released late in August, again surprised to the upside relative to market expectations. Although annual headline inflation moderated from 3.8% to 3.5%, it exceeded the consensus forecast of 3.3%. More importantly, trimmed mean inflation remained elevated at 3.6%, providing further evidence that underlying inflationary pressure is proving persistent.

The RBA has increased the cash rate during 2026, but we believe it has also missed opportunities to act more decisively. Its decision to leave rates unchanged in August may ultimately represent another such opportunity. Unemployment increased modestly to 4.5% in July, but remains comparatively low by historical standards, suggesting that the economy retains some capacity to absorb further monetary tightening. Inflation has now remained above the RBA's 2–3% target range for most of the past five years, apart from a brief and unsustained period. In our view, it therefore remains a material economic problem and the RBA still has work to do.

Australian banks generally reported sound results in August, continuing to demonstrate strong capital positions, resilient asset quality and disciplined balance sheet management. Against this background, the Fund participated in new Westpac and ANZ subordinated bond issues. We funded these investments partly by taking profits in several senior bonds, allowing us to move selectively into higher-yielding Tier 2 securities where we considered the additional return appropriately compensated investors for their position in the capital structure.

We also realised profits in some listed bank hybrids, including NABPK, AN3PI and MQGPG. Each had performed strongly and reached tight trading margins during August. Active management remains important in this part of the market, enabling us to reduce positions where valuations appear stretched and redeploy capital into securities offering more attractive relative value.

In some good news for investors in listed bank hybrids, APRA reiterated during the month that it does not expect banks to call existing hybrids before their first scheduled optional call dates as the asset class is phased out. This confirmation, reported by the Australian Financial Review, should provide meaningful comfort to investors concerned that early calls could cause securities currently trading above face value to lose their capital premia abruptly. APRA's position supports an orderly transition and is consistent with our longstanding view that widespread early calls would be unnecessarily disruptive to investors and market pricing.

We remain alert to opportunities created by issuance and periods of volatility. With the portfolio positioned predominantly in floating-rate securities, higher cash rates would flow progressively into portfolio income as coupons reset, providing support to the Fund's running yield.

[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.

Financial Income Fund

Monthly Report – August 2026

Portfolio Features

Tier 1, Tier 2 bonds, and Senior bonds;

Issued by APRA/RBNZ regulated Australian banks, Insurers & non-bank financials;

Currently 30 positions.

Top 5 Holdings

Westpac Sub Notes Aug 2036

ANZ Sub Notes Aug 2041

Macq Bank Sub Notes Aug 2036

QBE Additional Tier 1 Securities Jun 2033 Call

ANZ Sub Notes Feb 2037

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

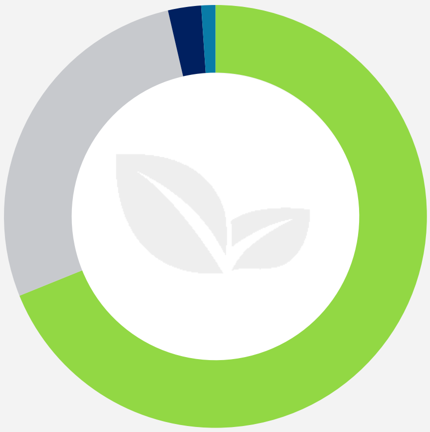
Wholesale IM

ASX Active ETF
APIR: EVO4781AU
(ASX: SFIF)

Portfolio Holdings

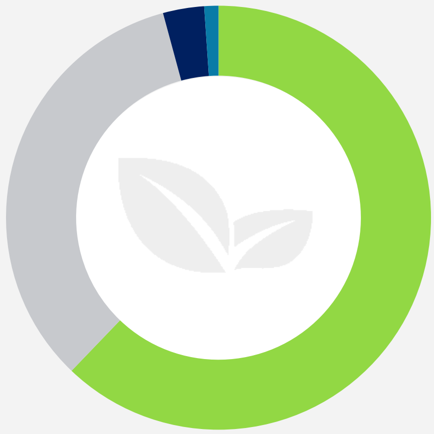
(as at 31 August 2026)

Asset Allocation



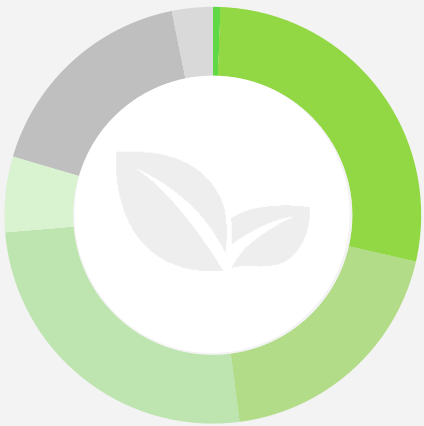
- Tier 2 – 68.88%
- Tier 1 – 27.51%
- Senior – 2.53%
- Cash – 1.08%

Sector Allocation



- Bank – 62.15%
- Insurance – 33.63%
- Non-bank – 3.13%
- Cash – 1.08%

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

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

General Disclosures

The material contained within this Report (The Report) has been prepared by Seed Funds Management Pty Limited (ABN 25 675 247 506) (Seed), a Corporate Authorised Representative (no 001308397) of its related body corporate, Seed Partnerships Pty Ltd (ABN 32 606 230 639) the holder of AFSL No. 492973. It is issued by the Responsible Entity of the Fund, Evolution Trustees Limited (ABN 29 611 839 519, AFSL 486217) (Evolution). Seed receives a management fee for managing the Fund.

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