Financial Income Fund (formerly Hybrid Income Fund)

ARSN 678 888 821

Annual Report

Year Ended 30 June 2026

ASX: SFIF

www.seedfm.com.au

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This annual report covers Financial Income Fund (formerly Hybrid Income Fund) as an individual entity.

The Responsible Entity of Financial Income Fund (formerly Hybrid Income Fund) is Evolution Trustees Limited (ABN 29 611 839 519) (AFSL 486217).

The Responsible Entity registered office is:
Level 15, 68 Pitt St
Sydney, NSW, 2000.

Directors' report

The Directors of Evolution Trustees Limited, the Responsible Entity of Financial Income Fund (formerly Hybrid Income Fund) (the "Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2026.

Principal activities

The Fund invests in debt and hybrid securities. Hybrids can be either listed and traded on the Australian Securities Exchange (ASX), or unlisted and traded OTC directly between buyer and seller in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund did not have any employees during the year.

There were no significant changes in the nature of the Fund's activities during the year.

The various service providers for the Fund are detailed below:

Service	**Provider**
Responsible Entity	Evolution Trustees Limited
Investment Manager	Seed Funds Management Pty Ltd
Custodian and Administrator	Apex Fund Services Pty Ltd (an Apex Group Company)
Statutory Auditor	Hall Chadwick

Directors

The following persons held office as directors of Evolution Trustees Limited during the year or since the end of the year and up to the date of this report:

David R Grbin	Chairman
Alexander J Calder	Director
Rupert C Smoker	Director (ceased 15 September 2025, due to his passing)
Ben Norman	(Alternate Director to 22 September 2025; Director from 23 September 2025)
Kathryn Julia Neilson	(Alternate Director from 1 September 2026)

Review and results of operations

During the year, the Fund continued to invest its funds in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund's performance was 6.78% (net of fees) for the year ended 30 June 2026. The Fund's benchmark, the Solactive Australian Hybrid Securities Index (Net) returned 5.86% for the same period.

	Year ended	
	30 June 2026	30 June 2025
Profit/(loss) before finance costs attributable to unit holders for the year ($'000)	**26,733**	17,224
Distributions - Class A*		
Distributions paid and payable ($'000)	**8,616**	5,073
Distributions (cents per unit)	**43.1158**	4.4560
Distributions - Class B Wholesale*		
Distributions paid and payable ($'000)	**14,291**	10,333
Distributions (cents per unit)	**43.1158**	4.4560
Distributions - Class D ETF*		
Distributions paid and payable ($'000)	**1,792**	-
Distributions (cents per unit)	**41.0212**	-

*The ETF Class launched on 13 October 2025. Classes A and B were each consolidated on a 10:1 basis effective 8 October 2025.

Significant changes in the state of affairs

During the year, the Fund issued a new class of units, named the Class D ETF. Class D investors solely invest in the Seed Financial Income Fund Active ETF and are segregated from Class A and Class B investors. The Class D ETF launched on 13 October 2025. In connection with the introduction of class D ETF, the existing Class A and Class B units were consolidated on a 10:1 basis effective 8 October 2025. The consolidation did not affect the Fund's net assets or the aggregate value of each investor's holding.

During the year, Evolution Trustees Limited experienced the sudden passing of Mr. Rupert Smoker, its Director and Chief Executive Officer, on 15 September 2025. Mr. Smoker was a key member of the leadership team, and his passing is a significant loss to the Trustee and the industry as a whole. During this time, Ben Norman ceased his role as Alternate Director and was appointed as Director on 23 September 2025. The Board actively managed the transition of Mr. Smoker's role and duties with the official appointment of Mr Norman as CEO in April 2026. Operations of Evolution Trustees Limited continues on a business-as-usual basis.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Fund that occurred during the financial year.

Directors' report (continued)

Matters subsequent to the end of the financial period

On 1 September 2026, Kathryn Julia Neilson was appointed as an Alternate Director of Evolution Trustees Limited, the Responsible Entity. No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may have a significant effect on:

i. The operations of the Fund in future financial years; or
ii. The results of those operations in future financial years; or
iii. The state of affairs of the Fund in future financial years.

Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the Product Disclosure Statement and the provisions of the Fund's Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to the officers of Evolution Trustees Limited. So long as the officers of Evolution Trustees Limited act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

Indemnification of auditor

The auditor of the Fund is in no way indemnified out of the assets of the Fund.

Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in Note 7 to the financial statements.

The value of the Fund's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in Note 2 to the financial statements.

Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183,* unless otherwise indicated.

This report is made in accordance with a resolution of the directors of Evolution Trustees Limited through a delegated authority given by the Evolution Trustees Limited's Board.

Ben Norman
Director

Sydney
23 September 2026

Statement of comprehensive income

		Year ended	
		30 June 2026	30 June 2025
	Note	**$'000**	$'000
Investment income			
Interest income from financial assets at fair value through profit or loss		**20,476**	17,773
Dividend and distribution income		**4,045**	1,758
Net gains on financial instruments at fair value through profit or loss	5	**6,464**	970
Other income		**6**	-
Total investment income		**30,991**	20,501
Expenses			
Management fees	14	**2,100**	1,638
Responsible Entity's fees	14	**315**	190
Custody and administration fees		**332**	234
Remuneration to auditors		**51**	1
Other expenses		**356**	270
Withholding taxes		**1,104**	944
Total expenses		**4,258**	3,277
Profit before finance costs attributable to unit holders for the year		**26,733**	17,224
Finance costs attributable to unit holders			
Distributions to unit holders	8	**(24,699)**	(15,406)
(Increase)/decrease in net assets attributable to unit holders	7	**(2,034)**	(1,818)
Profit for the year		**-**	-
Other comprehensive income		**-**	-
Total comprehensive income for the year		**-**	-

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

		As at	
	Note	**30 June 2026 $'000**	30 June 2025 $'000
Assets			
Cash and cash equivalents	9	**6,296**	4,955
Receivables	11	**5,144**	2,378
Financial assets at fair value through profit or loss	6	**419,280**	415,963
Total assets		**430,720**	423,296
Liabilities			
Distributions payable	8	**4,358**	3,633
Payables	12	**209**	268
Total liabilities (excluding net assets attributable to unit holders)		**4,567**	3,901
Net assets attributable to unit holders – liability	7	**426,153**	419,395

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

	Year ended 30 June 2026 $'000	30 June 2025 $'000
Total equity at the beginning of the financial year*	**-**	-
Profit/(loss) for the year	**-**	-
Other comprehensive income	**-**	-
Total comprehensive income	**-**	-
Transactions with owners in their capacity as owners	**-**	-
Total equity at the end of the financial year*	**-**	-

* Under Australian Accounting Standards, net assets attributable to unit holders are classified as a liability rather than equity. As a result, there was no equity at the start or end of the financial year.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

		Year ended	
	Note	**30 June 2026 $'000**	30 June 2025 $'000
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		**654,250**	404,258
Payments for purchase of financial instruments at fair value through profit or loss		**(651,103)**	(755,123)
Interest income received from financial assets at fair value through profit or loss		**20,325**	15,795
Dividends and distributions received		**4,045**	1,758
Other income received		**6**	-
Management fees paid		**(2,223)**	(1,445)
Remuneration paid to auditors		**(51)**	(1)
Custody and administration fees paid		**(346)**	(220)
Responsible Entity's fees paid		**(308)**	(190)
Other expenses paid		**(1,428)**	(1,277)
Net cash inflow/(outflow) from operating activities	10(a)	**23,167**	(336,445)
Cash flows from financing activities			
Proceeds from applications by unit holders		**581,578**	601,268
Payments for redemptions by unit holders		**(580,110)**	(249,676)
Distributions paid to unit holders		**(23,294)**	(11,818)
Net cash inflow/(outflow) from financing activities		**(21,826)**	339,774
Net increase/(decrease) in cash and cash equivalents		**1,341**	3,329
Cash and cash equivalents at the beginning of the year		**4,955**	1,626
Cash and cash equivalents at the end of the year	9	**6,296**	4,955
Non-cash operating and financing activities	10(b)	**680**	1,183

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

Contents

1. General information

These general purpose financial statements cover Financial Income Fund (formerly Hybrid Income Fund) (the “Fund”) as an individual entity. The Fund was constituted on 20 April 2022 and will terminate in accordance with the provisions of the Constitution or by Law.

The Responsible Entity of the Fund is Evolution Trustees Limited (ABN 29 611 839 519) (AFSL 486217) (the “Responsible Entity”). The Responsible Entity’s registered office is Level 15, 68 Pitt St, Sydney, NSW, 2000. The financial statements are presented in the Australian currency unless otherwise noted.

The Fund invests in debt and hybrid securities. Hybrids can be either listed and traded on the Australian Securities Exchange (ASX), or unlisted and traded OTC directly between buyer and seller in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The financial statements were authorised for issue by the directors on the date the Directors’ declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2. Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

a. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. The Fund is a for-profit entity for the purpose of preparing the financial statements.

The financial statements comprise the Fund’s financial statements as an individual entity. For the purposes of preparing the financial statements the entity is considered a for-profit entity.

The functional and presentational currency used in these financial statements is Australian dollars ($). Amounts in these financial statements are stated in Australian dollars unless otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are generally expected to be recovered or settled within 12 months, except for investments in financial assets at fair value through profit or loss and net assets attributable to unit holders.

The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at balance date.

In the case of net assets attributable to unitholders, the units are redeemed on demand at the unitholder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months cannot be reliably determined.

i. Compliance with Australian Accounting Standards and International Financial Reporting Standards (IFRS)

The financial statements have been prepared in accordance with Australian Accounting Standards and the Corporations Act 2001. For the current reporting period, the Fund has transitioned from Tier 2 reporting requirements under AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities to Tier 1 reporting requirements.

The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

ii. New and amended standards adopted by the Fund

There are no new accounting standards, amendments and interpretations that are effective for the first time for the reporting year ended 30 June 2026 and have a material impact on the financial statements of the Fund.

iii. New standards, amendments and interpretations issued but not yet effective

The Fund has not early adopted any new or amended Australian Accounting Standards and Interpretations that have been issued but are not yet effective for the Fund's annual reporting period ended 30 June 2026.

The following new or amended Australian Accounting Standards and Interpretations have been issued but are not yet effective for the Fund and have not been early adopted:

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 Presentation and Disclosure in Financial Statements replaces AASB 101 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted.

AASB 18 introduces new requirements for the presentation and disclosure of financial performance, including defined subtotals in the statement of profit or loss, classification of income and expenses into operating, investing and financing categories, and enhanced requirements for the disclosure of management-defined performance measures and the aggregation and disaggregation of information.

The Fund will be required to apply AASB 18 for the annual reporting period beginning 1 July 2027. The application of AASB 18 is not expected to affect the recognition or measurement of amounts recognised in the financial statements but is expected to affect the presentation and disclosure of the Fund's financial performance and other information in the financial statements. Management is currently assessing the detailed impact of the new requirements on the Fund's financial statements.

2. Summary of material accounting policies (continued)

b. Financial instruments

i. Classification

- Financial assets

The Fund classifies its financial assets in the following measurement categories:
- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

The Fund classifies its financial assets based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The Fund's portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Investment Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information.

For equity securities and unit trusts, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

For debt securities, the contractual cash flows are solely payments of principal and interest, however they are neither held for collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business objective. Consequently, the debt securities are measured at fair value through profit or loss.

For cash and cash equivalents, due from brokers and receivables, these assets are held in order to collect the contractual cash flows and the contractual terms of these assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

- Financial liabilities

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (due to brokers, distributions payable, management fees payable, audit and tax fees payable, administration fees payables and custodian fees payable).

ii. Recognition and derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in the fair value of the financial assets or financial liabilities from this date.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

iii. Measurement

- Financial instruments at fair value through profit or loss

At initial recognition, the Fund measures a financial asset and financial liability at its fair value. Transaction costs in relation to financial assets and liabilities carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within net gains/(losses) on financial instruments at fair value through profit or loss in the period in which they arise.

- Financial instruments at amortised cost

For financial assets and financial liabilities at amortised cost, they are initially measured at fair value including directly attributable costs and are subsequently measured using the effective interest rate method less any allowance for expected credit losses.

Cash and cash equivalents, due from brokers, receivables and payables are carried at amortised cost.

2. Summary of material accounting policies (continued)

b. Financial instruments (continued)

iv. Impairment

At each reporting date, the Fund shall estimate a loss allowance on each of the financial assets carried at amortised cost (cash, cash and cash equivalents, due from broker and receivables) at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counter party, probability that the counter party will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that the asset is credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the net carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The expected credit loss (ECL) approach is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

v. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Fund has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

As at the end of the reporting period, there are no financial assets or liabilities offset or with the right to offset in the statement of financial position.

c. Net assets attributable to unit holders

Units are redeemable at the unit holders' option; however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unit holders. The units are classified as financial liabilities as the Fund is required to distribute its distributable income in accordance with the Fund's Constitution.

The units can be put back to the Fund at any time for cash based on the redemption price which is equal to a proportionate share of the Fund's net asset value attributable to the unit holders.

The units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the units back to the Fund.

d. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as trading of these securities represents the Fund's main income generating activity.

e. Investment income

i. Interest income

Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities measured at fair value through profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

Changes in fair value of financial instruments at fair value through profit or loss are recorded in accordance with the policies described in Note 2(b) to the financial statements.

2. Summary of material accounting policies (continued)

e. Investment income (continued)

ii. Dividends and distributions

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense.

Fund distributions are recognised on an entitlement basis.

f. Expenses

All expenses are recognised in the statement of comprehensive income on an accruals basis.

g. Income tax

Under current legislation, the Fund is not subject to income tax provided it distributes the entirety of its taxable income to its unit holders on present entitlement basis.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are included in the statement of comprehensive income.

h. Distributions

The Fund distributes its distributable income, in accordance with the Fund's Constitution, to unit holders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unit holders.

i. Increase/decrease in net assets attributable to unit holders

Income not distributed is included in net assets attributable to unit holders. As the Fund's units are classified as financial liabilities, movements in net assets attributable to unit holders are recognised in the statement of comprehensive income as finance costs.

j. Functional and presentation currency

Balances included in the Fund’s financial statements are measured using the currency of the primary economic environment in which it operates (the “functional currency”). This is the Australian dollar, which reflects the currency of the economy in which the Fund competes for Trusts and is regulated. The Australian dollar is also the Fund’s presentation currency.

k. Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the period. The due from brokers balance is held for collection and is recognised initially at fair value and subsequently measured at amortised cost.

l. Receivables

Receivables may include amounts for interest, dividends and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Where applicable, interest is accrued on a daily basis. Amounts are generally received within 30 days of being recorded as receivables.

m. Payables

Payables include liabilities, accrued expenses owed by the Fund and any distributions declared which are unpaid as at the end of the reporting period.

A separate distribution payable is recognised in the statement of financial position.

Distributions declared effective 30 June in relation to unit holders who have previously elected to reinvest distributions are recognised as reinvested effective 1 July of the following financial year.

n. Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

o. Goods and services tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as management, administration and custodian services where applicable, have been passed on to the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 75%. Hence, fees for these services and any other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Amounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

2. Summary of material accounting policies (continued)

p. Use of estimates and judgements

The Fund makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities within the current and next financial period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Fund estimates that the resultant expected credit loss (ECL) derived from using impairment model has not materially impacted the Fund.

q. Rounding of amounts

The Fund is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183* relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars unless otherwise indicated.

r. Comparative revisions

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3. Financial risk management

a. Objectives, strategies, policies and processes

The Fund's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement and the investment guidelines of the Fund. It also seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund's policy allows it to use derivative financial instruments in managing its financial risks.

All investments present a risk of loss of capital. The maximum loss of capital on long corporate bond positions is limited to the fair value of those positions. The maximum loss of capital on derivatives is limited to the notional contract values of those positions.

The investments of the Fund, and associated risks, are managed by an Investment Manager, Seed Funds Management Pty Ltd under an Investment Management Agreement (IMA) approved by the Responsible Entity, and containing the investment strategy and guidelines of the Fund, consistent with those stated in the Product Disclosure Statement.

The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

b. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Fund's income or the value of its holdings of financial instruments. Market risk embodies the potential for both losses and gains. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Fund's strategy on the management of the investment risk is driven by the Fund's investment objective and all transactions are carried out within the investment guidelines set by the Responsible Entity. Information relating to the investment objective and guidelines can be obtained from the Product Disclosure Statement.

i. Price risk

Price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices, other than changes arising from interest rate risk or foreign currency risk. Such changes may arise from factors specific to an individual financial instrument or its issuer, or from factors affecting financial instruments traded in the market.

Price risk exposure arises from the Fund's investment portfolio. The Fund's investments are classified as financial assets at fair value through profit or loss in the Statement of Financial Position. The Fund is exposed to the risk of loss arising from fluctuations in the fair value of its investments, including equity, debt and hybrid instruments.

The maximum exposure to price risk at the reporting date is the fair value of investments subject to price risk. The sensitivity analysis below illustrates the potential impact of reasonably possible changes in market prices on the Fund's profit or loss and net assets attributable to unitholders, based on the investments subject to price risk at the reporting date, with all other variables held constant.

The Investment Manager mitigates this price risk through diversification and a careful selection of securities and other financial instruments within specified limits set by the Board.

The Fund's overall market positions are monitored on a regular basis by the Fund's Investment Manager. This information and the compliance with the Fund's Product Disclosure Statement are reported to the relevant parties on a regular basis as deemed appropriate such as the compliance manager, other key management personnel, compliance committees and ultimately the Board.

At the reporting date, if the equity prices had increased/decreased by the percentage indicated below, with all other variables held constant, the net assets attributable to unitholders (and profit/loss) attributable to unitholders would have changed by the amounts as outlined in Note 3(c).

3. Financial risk management (continued)

b. Market risk (continued)

ii. Cash flow and fair value interest rate risk

The Fund is exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Fund to fair value interest rate risk.

The yield and fair value of securities can be affected by interest rate movements. In instances where interest rates rise, the fair 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 Fund aims to mitigate interest rate risk by investing in floating rate note securities which have less interest rate risk than fixed rate securities. Additionally, the Fund uses interest rate futures to hedge a proportion of the interest rate risk arising from the fixed rate bonds in the portfolio. Interest rate risk is monitored daily using sensitivity analysis which allows the Investment Manager to examine it in real time.

The Fund's main interest rate risk arises from its investments in fixed and floating rate corporate bonds.

The table below summarises the Fund's exposure to interest rate risk at the end of the reporting period.

	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
As at 30 June 2026				
Financial assets				
Cash and cash equivalents	**-**	**-**	**6,296**	**6,296**
Receivables	**-**	**-**	**5,144**	**5,144**
Financial assets at fair value through profit or loss	**347,216**	**-**	**72,064**	**419,280**
Total financial assets	**347,216**	**-**	**83,504**	**430,720**
Financial liabilities				
Distributions payable	**-**	**-**	**4,358**	**4,358**
Payables	**-**	**-**	**209**	**209**
Total financial liabilities	**-**	**-**	**4,567**	**4,567**
Net exposure	**347,216**	**-**	**78,937**	**426,153**
As at 30 June 2025				
Financial assets				
Cash and cash equivalents	-	-	4,955	4,955
Receivables	-	-	2,378	2,378
Financial assets at fair value through profit or loss	341,399	53,724	20,840	415,963
Total financial assets	341,399	53,724	28,173	423,296
Financial liabilities				
Distributions payable	-	-	3,633	3,633
Payables	-	-	268	268
Total financial liabilities	-	-	3,901	3,901
Net exposure	341,399	53,724	24,272	419,395

The table at Note 3(c) summarises the impact of an increase/decrease of interest rates in the Fund's operating profit and net assets attributable to unit holders through changes in fair value or changes in future cash flows. The analysis is based on the reasonably possible shift that the interest rates changed by +/- 100 basis points (2025: +/- 100 basis points) from the year end rates with all other variables held constant.

c. Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to unit holders market risks. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and the historical correlation of the Fund's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables should not be used to predict future variances in the risk variables.

	Impact on operating profit/net assets attributable to unit holders			
	Price risk		Interest rate risk	
	+10% $'000	10% $'000	+100bps $'000	-100bps $'000
As at 30 June 2026	**41,928**	**(41,928)**	**3,472**	**(3,472)**
As at 30 June 2025	41,596	(41,596)	3,414	(3,414)

3. Financial risk management (continued)

d. Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay its obligations in full when they fall due, causing a financial loss to the Fund.

The value of assets within the Fund can change due to changes in the credit quality of the individual issuer and also from changes in the values of other similar securities. This can affect the volatility of the Fund and its income. Fixed income securities are subject to default risk, which means that the credit issuer may default on interest payments, the repayment of capital or both. The main concentration of credit risk, to which the Fund is exposed, arises from the Fund's investment in debt securities. The Fund is also exposed to counterparty credit risk on derivative financial instruments, cash and cash equivalents, amounts due from brokers and other receivables.

Fixed income investments with a non-investment grade credit rating (that is, for Standard & Poor's or Fitch, less than a BBB- rating; and for Moody's, less than a Baa3 rating) are subject to increased credit risks compared with investment grade securities, in that the credit issuer may be more likely to default on interest payments, the repayment of capital or both.

i. Debt securities

a. The Fund will invest at least 90% of funds not invested in cash, in investment grade debt rated either BBB- or higher by Standard & Poor's and Fitch or Baa3 or higher by Moody's.

b. Although not a key focus for the Fund, the Fund may invest up to 10% of the portfolio in non-rated Australian dollar issued debt if deemed appropriate by the Investment Manager.

c. Although not a key focus for the Fund, the Fund may invest up to 10% of the portfolio in non-investment grade Australian dollar issued debt if deemed appropriate by the Investment Manager.

An analysis of debt by rating is set out in the table below.

	As at	
	30 June 2026 $'000	30 June 2025 $'000
Floating rate notes		
Rating		
A+ to A-	**114,158**	160,065
BBB+ to BBB-	**233,058**	168,726
BB+ to BB-	**-**	12,608
Total	**347,216**	341,399
Convertible notes		
Rating		
BBB+ to BBB-	**-**	53,724
Total	**-**	53,724

ii. Settlement of securities transactions

All transactions in over the counter securities are settled/paid for on T+2 with approved counterparties. The risk of default is considered low, as delivery of securities sold is only made once the custodian has received payment. Payment is made once the securities purchased have been received by the broker. The trade will fail if either party fails to meet its obligations.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once the securities purchased have been received by the broker. The trade will fail if either party fails to meet its obligations.

iii. Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of B- (as determined by Standard & Poor's) or higher.

iv. Other

The Fund is not materially exposed to credit risk on other financial assets.

v. Maximum exposure to credit risk

The maximum exposure to credit risk before any credit enhancements at the end of each reporting period is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

3. Financial risk management (continued)

e. Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Under abnormal or difficult market conditions some normally liquid assets may become illiquid, restricting the Fund's ability to sell them and to make withdrawal payments to investors without a delay.

Exposure to liquidity risk for the Fund may arise from the requirement to meet daily unit holder redemption requests or margin calls on derivative transactions.

The Fund aims to mitigate liquidity risk by investing in investment grade corporate bonds, which under normal market conditions are readily convertible to cash. The Investment Manager has a strong focus on the liquidity of corporate bonds it invests in, ensuring multiple dealers are quoting tradable prices.

The Fund offers investors daily liquidity which reflects the liquid nature of the corporate bonds held in the Fund.

i. Maturities of non-derivative financial liabilities

All non-derivative financial liabilities of the Fund in the current period have maturities of less than 1 month.

The table below analyses the Fund's non-derivative financial liabilities based on their contractual maturity. All non-derivative financial liabilities of the Fund in the current period have maturities of less than 1 month.

	Less than 1 month $'000	1 to 6 months $'000	6 to 12 months $'000	Over 12 months $'000	Total $'000
As at 30 June 2026					
Distributions payable	**4,358**	**-**	**-**	**-**	**4,358**
Payables	**209**	**-**	**-**	**-**	**209**
Net asset attributable to unit holders - liability	**426,153**	**-**	**-**	**-**	**426,153**
Total non-derivative financial liabilities	**430,720**	**-**	**-**	**-**	**430,720**
As at 30 June 2025					
Distributions payable	3,633	-	-	-	3,633
Payables	268	-	-	-	268
Net asset attributable to unit holders - liability	419,395	-	-	-	419,395
Total non-derivative financial liabilities	423,296	-	-	-	423,296

4. Fair value measurement

The Fund measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis.

- Financial assets/liabilities at fair value through profit or loss (see Note 6)

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements.

a. Valuations using level 1 inputs

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and listed equity securities) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

The quoted market price used for financial assets held by the Fund is the current bid price; the quoted market price for financial liabilities is the current asking price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

b. Valuation using level 2 inputs

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all material inputs required to fair value an instrument are observable, the instrument is included in level 2.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds.

4. Fair value measurement (continued)

b. Valuation using level 2 inputs

Specific valuation techniques using observable inputs used to value financial instruments include:

- Debt instruments are valued using quoted market prices or dealer quotes for similar instruments.

c. Recognised fair value measurements

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 30 June 2026 and 30 June 2025.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
As at 30 June 2026				
Financial assets				
Equity securities	**72,064**	**-**	**-**	**72,064**
Floating rate notes	**-**	**347,216**	**-**	**347,216**
Total financial assets	**72,064**	**347,216**	**-**	**419,280**
As at 30 June 2025				
Financial assets				
Equity securities	20,840	-	-	20,840
Floating rate notes	9,707	331,692	-	341,399
Convertible notes	53,724	-	-	53,724
Total financial assets	84,271	331,692	-	415,963

d. Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

e. Financial instruments not carried at fair value

i. Cash and cash equivalents, balances due from/to brokers and receivables/payables under sale and repurchase agreements. These are short-term financial assets and financial liabilities whose carrying values approximate fair value, because of their short-term nature and the high credit quality of counterparties; and

ii. Net assets attributable to unit holders, as the Fund routinely redeems and issues units at an amount equal to the proportionate share of the Fund's net assets at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying value of net assets attributable to unit holders approximates their fair value. Any difference is not material in the current year or prior year.

5. Net gains/losses on financial instruments at fair value through profit or loss

	As at	
	30 June 2026 $'000	30 June 2025 $'000
Financial assets		
Net unrealised gains/(losses) on financial assets at fair value through profit or loss	**3,637**	(576)
Net realised gains on financial assets at fair value through profit or loss	**2,827**	1,546
Total net gains/losses on financial instruments at fair value through profit or loss	**6,464**	970

6. Financial assets at fair value through profit or loss

	As at	
	30 June 2026 $'000	30 June 2025 $'000
Equity securities	**72,064**	20,840
Floating rate notes	**347,216**	341,399
Convertible notes	**-**	53,724
Total financial assets at fair value through profit or loss	**419,280**	415,963

7. Net assets attributable to unit holders - liability

The Fund's units are classified as a liability as they do not meet the definition of a financial liability to be classified as equity.

Movements in the number of units and net assets attributable to unit holders during the year were as follows:

	Year ended 30 June 2026		Year ended 30 June 2025	
	Units '000	**$'000**	Units '000	$'000
Class A				
Opening balance	**94,167**	**100,388**	61,839	64,802
Applications	**47,369**	**230,979**	263,483	279,609
Redemptions	**(125,329)**	**(155,388)**	(232,240)	(249,676)
Reinvestment of distributions	**281**	**583**	1,085	1,148
Increase/(decrease) in net assets attributable to unit holders	**-**	**98**	-	4,505
Closing balance	**16,488**	**176,660**	94,167	100,388
Class B Wholesale				
Opening balance	**299,239**	**319,007**	-	-
Applications	**24,762**	**266,301**	299,206	321,659
Redemptions	**(308,829)**	**(424,751)**	-	-
Reinvestment of distributions	**46**	**84**	33	35
Increase/(decrease) in net assets attributable to unit holders	**-**	**2,429**	-	(2,687)
Closing balance	**15,218**	**163,070**	299,239	319,007
Class D ETF*				
Opening balance	**-**	**-**	-	-
Applications	**8,064**	**86,903**	-	-
Reinvestment of distributions	**1**	**13**	-	-
Increase/(decrease) in net assets attributable to unit holders	**-**	**(493)**	-	-
Closing balance	**8,065**	**86,423**	-	-
Closing balance	**39,771**	**426,153**	393,406	419,395

*The ETF class launched on the 13 October 2025. Upon the introduction of the ETF class, the existing units in the Fund were consolidated on a 10:1 basis on 8 October 2025. The consolidations were effected as matching redemptions and applications of units with offsetting dollar amounts and there was no impact on the Fund's net assets.

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right in the underlying assets of the Fund.

There are three classes of unitholders in the Fund being Class A, Class B Wholesale and Class D ETF. Each unit has the same rights attaching to it as all other units of the Fund for each class.

Units are redeemed on demand at the unit holder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably determined.

8. Distributions to unit holders

The distributions declared during the year were as follows:

	Year ended 30 June 2026		Year ended 30 June 2025	
	$'000	**CPU**	$'000	CPU
Distributions - Class A*				
July	**461**	**0.4621**	-	-
August	**371**	**0.3405**	112	0.1695
September	**1,526**	**1.2920**	233	0.3386
October	**395**	**3.1174**	240	0.3443
November	**436**	**3.3777**	79	0.1130
December	**694**	**5.0134**	1,992	0.6929
January	**465**	**3.3074**	180	0.2505
February	**459**	**2.9657**	254	0.3298
March	**744**	**4.5852**	481	0.6080
April	**409**	**2.5148**	293	0.3453
May	**849**	**5.1804**	339	0.3407
June (payable)	**1,807**	**10.9592**	870	0.9234
Total distributions	**8,616**	**43.1158**	5,073	4.4560
Distributions - Class B*				
July	**1,383**	**0.4621**	-	-
August	**810**	**0.3405**	184	0.1695
September	**3,059**	**1.2920**	688	0.3386
October	**742**	**3.1174**	699	0.3443
November	**804**	**3.3777**	230	0.1130
December	**1,240**	**5.0134**	161	0.6929
January	**817**	**3.3074**	749	0.2505
February	**734**	**2.9657**	987	0.3298
March	**1,135**	**4.5852**	1,819	0.6080
April	**620**	**2.5148**	1,033	0.3453
May	**1,280**	**5.1804**	1,020	0.3407
June (payable)	**1,667**	**10.9592**	2,763	0.9234
Total distributions	**14,291**	**43.1158**	10,333	4.4560
Distributions - Class D ETF				
October	**19**	**3.1174**	-	-
November	**54**	**3.3777**	-	-
December	**104**	**5.0134**	-	-
January	**82**	**3.3074**	-	-
February	**90**	**2.9657**	-	-
March	**164**	**4.5852**	-	-
April	**103**	**2.5148**	-	-
May	**292**	**5.1804**	-	-
June (payable)	**884**	**10.9592**	-	-
Total distributions	**1,792**	**41.0212**	-	-
Total distributions	**24,699**	**127.2528**	15,406	8.9120

9. Cash and cash equivalents

	As at	
	30 June 2026 $'000	30 June 2025 $'000
Cash at bank	**6,296**	4,955
Total cash and cash equivalents	**6,296**	4,955

*Class A and B were each consolidated on a 10:1 basis effective 8 October 2025.

10. Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

a. Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	Year ended	
	30 June 2026 $'000	30 June 2025 $'000
Profit/(loss) for the year	**-**	-
Increase/(decrease) in net assets attributable to unit holders	**2,034**	1,818
Distributions to unit holders	**24,699**	15,406
Proceeds from sale of financial instruments at fair value through profit or loss	**654,250**	404,258
Payments for purchase of financial instruments at fair value through profit or loss	**(651,103)**	(755,123)
Net (gains)/losses on financial instruments at fair value through profit or loss	**(6,464)**	(970)
Net change in receivables	**(161)**	(2,020)
Net change in payables	**(88)**	186
Net cash inflow/(outflow) from operating activities	**23,167**	(336,445)

10. Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities (continued)

	Year ended	
	30 June 2026 $'000	30 June 2025 $'000
b. Non-cash financing activities		
The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plan	**680**	1,183
Total non-cash operating and financing activities	**680**	1,183

As described in Note 2(i), income not distributed is included in net assets attributable to unit holders. The change in this amount for the period (as reported in (a) above) represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable.

11. Receivables

	As at	
	30 June 2026 $'000	30 June 2025 $'000
GST receivable	**63**	53
Applications receivable	**2,605**	-
Interest receivable	**2,476**	2,325
Total receivables	**5,144**	2,378

12. Payables

	As at	
	30 June 2026 $'000	30 June 2025 $'000
Management fees payable	**26**	149
Responsible Entity's fees payable	**60**	53
Custody and administration fees payable	**29**	43
Audit fees payable	**10**	-
Redemptions payable	**29**	-
Other fees payable	**55**	23
Total payables	**209**	268

13. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditors of the Fund:

	Year ended	
	30 June 2026 $	30 June 2025 $
Hall Chadwick		
Audit and other assurance services		
Audit and review of financial statements	**34,000**	28,500
Total remuneration for audit and other assurance services	**34,000**	28,500
Total remuneration of Hall Chadwick	**34,000**	28,500

The auditors' remuneration is borne by the Fund. Fees are stated exclusive of GST.

14. Related party transactions

For the purpose of these financial statements, parties are considered to be related to the Fund if they have the ability, directly or indirectly, to control or exercise significant influence over the Fund in making financial and operating disclosures. Related parties may be individuals or other entities.

(a) Directors

The following persons held office as directors of Evolution Trustees Limited during or since the end of the year and up to the date of this report:

David R Grbin	Chairman
Alexander J Calder	Director
Rupert C Smoker	Director (ceased 15 September 2025, due to his passing)
Ben Norman	(Alternate Director to 22 September 2025; Director from 23 September 2025)
Kathryn Julia Neilson	(Alternate Director from 1 September 2026)

14. Related party transactions (continued)

(b) Other key management personnel

There were no other persons responsible for planning, directing and controlling the activities of the Fund, directly or indirectly during the financial year.

(c) Key management personnel unitholdings

As at 30 June 2026 and 30 June 2025, there are no key management personnel unitholdings in the Fund.

(d) Key management personnel compensation

Key management personnel do not receive any remuneration directly from the Fund. They receive remuneration from the Responsible Entity in their capacity as Directors or employees of the Responsible Entity or its related parties. Consequently, the Fund does not pay any compensation to its key management personnel. Payments made from the Fund to the Responsible Entity do not include any amounts attributable to the compensation of key management personnel.

(e) Key management personnel loans

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to key management personnel or their personally related entities at any time during the reporting period.

(f) Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial year and there were no material contracts involving management personnel's interests existing at year end.

(g) Investment Manager's fees and other transactions

The Investment Manager of the Fund is Seed Funds Management Pty Ltd. The Investment Manager is entitled to receive a management and performance fee at the rates stipulated in the Fund's governing documents.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Fund and the Investment Manager were as follows:

	Year ended	
	30 June 2026	30 June 2025
	$	$
Management fees for the year	**2,100,281**	1,638,409
Responsible Entity's fees for the year	**315,058**	190,010
Management fees payable at year end	**25,960**	62,562
Responsible Entity's fees payable at year end	**60,155**	53,355

For information on how management and performance fees are calculated please refer to the Fund's Product Disclosure Statement.

(h) Related party unitholdings

Parties related to the Fund (including Evolution Trustees Limited, its related parties and other schemes managed by Evolution Trustees Limited and the Investment Manager) held no units in the Fund as at 30 June 2026 and 30 June 2025.

(i) Investments

The Fund did not hold investments in Evolution Trustees Limited or its related parties during the year.

15. Events occurring after the reporting period

On 1 September 2026, Kathryn Julia Neilson was appointed as an Alternate Director of Evolution Trustees Limited, the Responsible Entity. No significant events have occurred since the end of the year which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 30 June 2026 or on the results and cash flows of the Fund for the year ended on that date.

16. Contingent assets and liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2026 and 30 June 2025.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

a. The financial statements and notes set out on pages 4 to 21 are in accordance with the *Corporations Act 2001,* including:

i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

ii. giving a true and fair view of the Fund's financial position as at 30 June 2026 and of its performance for the financial year ended on that date.

b. There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and

c. Note 2(a)(i) confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors of Evolution Trustees Limited through a delegated authority given by Evolution Trustees Limited's Board.

Ben Norman
Director

Sydney
23 September 2026

FINANCIAL INCOME FUND
ARSN 678 888 821

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF EVOLUTION TRUSTEES LIMITED AS RESPONSIBLE ENTITY FOR FINANCIAL INCOME FUND

In accordance with Section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Evolution Trustees Limited. As the lead audit partner for the audit of the financial report of Financial Income Fund for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

Hall Chadwick

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

DREW TOWNSEND
Partner
Dated: 23 September 2026

FINANCIAL INCOME FUND
ARSN 678 888 821

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF FINANCIAL INCOME FUND

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Financial Income Fund (the fund), which comprises the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of material accounting policy information and the directors' declaration.

In our opinion, the accompanying financial report of the fund:

(i) gives a true and fair view of the fund's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the fund in accordance with the ethical requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Evolution Trustees Limited as Responsible Entity of the fund, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2026. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Convertible notes *Refer to Note 6 "Financial assets at fair value through profit or loss" and Note 4 "Fair Value Measurement"*	
At 30 June 2026, the Fund recognised equity securities and floating rate notes with a total carrying amount of $419.2 million, as disclosed in Note 6 to the financial statements. The related fair value measurement and fair value hierarchy disclosures are included in Note 4. The Fund invests in debt, hybrid and other financial securities traded on the Australian Securities Exchange ("ASX"), Intercontinental Exchange ("ICE") and over-the-counter ("OTC") markets, in accordance with its Information Memorandum and Trust Deed. We considered the valuation of financial assets at fair value through profit or loss to be a key audit matter due to the significance of the investment portfolio, the range of securities held and the different pricing sources and valuation inputs used to determine fair value. The matter also required significant audit attention because the Fund relies on processes and controls operated by its administrator and custodian in recording investment transactions, maintaining custody records and determining or supporting the valuation of the investment portfolio.	Our procedures included, amongst others: • Assessed the Fund's accounting policies for the recognition and fair value measurement of investments against the requirements of the applicable Australian Accounting Standards. • Evaluated the processes and relevant controls used by the Fund and its administrator to record and value investments. • Obtained confirmations from the custodian and counterparties at the reporting date and agreeing the confirmed holdings to the investment portfolio. • Reviewed the administrator's and custodian's ASAE 3402 and SOC assurance reports, including the relevant controls over investment transactions, valuation and custody records, and assessing the competence and independence of the respective service auditors. • Assessed the pricing data used and independently recalculated selected investment valuations, including comparison with the portfolio valuation report prepared by the administrator. • Reconciled opening and closing investment balances and tested movements recorded in the relevant general ledger accounts. • On a sample basis, performed substantive procedures over interest income, dividend income and distribution income recognised during the year. • Assessed the accuracy and completeness of the fair value hierarchy disclosures in the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors of the fund are responsible for the other information. The other information comprises the information included in the fund's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

FINANCIAL INCOME FUND
ARSN 678 888 821

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF FINANCIAL INCOME FUND

Responsibilities of the Directors of the Responsible Entity for the Financial Report

The directors of the fund are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001,* and for such internal control as the directors of the responsible entity determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, directors of the responsible entity are responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the responsible entity either intend to liquidate the fund or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at https://auasb.gov.au/media/bwvjcgre/ar1_2025.pdf. This description forms part of our auditor's report.

Hall Chadwick

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

DREW TOWNSEND
Partner
Dated: 23 September 2026

Responsible Entity

Evolution Trustees Limited

Address: Level 15, 68 Pitt Street, Sydney, NSW, 2000

Email: info@evolutiontrustees.com.au

Website: evolutiontrustees.com.au

Financial Income Fund

ABN: 51 865 961 130

Evolution Trustees Limited is the issuer (ABN 29 611 839 510, AFSL 486217). Investors should consider the Product Disclosure Statement, Financial Income Fund Reference Guide and Target Market Determination in deciding whether to acquire units in the Fund. Past performance is not a reliable indicator of future performance.