

Seed Financial Income Fund Strategy Net Performance¹

30 September 2026

	1 Month	3 Months	6 Months	1 Year	3 Years Annualised	5 Years Annualised	10 Years Annualised	SI (Sep 15) Annualised	Excess Return
SEED FINANCIAL INCOME FUND ²	0.41%	1.10%	3.12%	5.23%	6.82%	5.99%	6.09%	6.34%	
Hybrid Benchmark (Solactive ²)	0.19%	0.53%	2.79%	4.74%	5.69%	4.54%	4.74%	4.81%	+1.53%
RBA Cash Rate ⁴	0.36%	1.09%	2.17%	4.07%	4.21%	3.35%	2.17%	2.14%	+4.20%

¹Fund 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. ²Refers 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

September was marked by ongoing geopolitical uncertainty, persistent inflation and some softness in bond prices. Events in the Middle East continued to weigh on sentiment and heighten concerns about energy prices and the interest rate outlook. Against this backdrop, the Fund achieved a return of 0.41% for the month, supported by disciplined security selection and our entirely floating rate portfolio positioning.

Primary issuance from financial institutions was relatively sparse in September, with fewer securities reaching maturity or call dates. We expect activity to increase during the final quarter of 2026, when approximately \$2 billion of listed hybrids are due for call and banks and insurers also face sizeable Tier 2 capital calls. In our view, these events should support refinancing activity and enable us to compare new issue pricing with existing holdings.

During the month, we sold listed hybrid positions including WBCPJ and AN3PK, where the relative value opportunity had diminished. We redirected capital towards securities that we considered oversold, including SUNPI and MBLPD. These purchases reflected our assessment that pricing had become more attractive relative to the underlying credit risk. Price movements within the listed hybrid market continue to create opportunities for investors prepared to act selectively.

We also identified value in secondary market subordinated notes issued by Westpac and ANZ. Alongside these purchases, we participated in Macquarie Bank's new floating rate subordinated note tranches, with 10-year and 5.5-year maturities respectively. Together, these issues allowed us to pursue opportunities across financial credit, balancing income, valuation and liquidity within the Fund's investment constraints.

The inflation backdrop continues to reinforce the importance of our portfolio positioning. In our assessment, the RBA is still not doing

enough to bring inflation adequately under control. We have been particularly clear in our investor communications that further interest rate increases were necessary, at a time when market expectations had leaned towards rate reductions. The RBA's decision on 29 September to raise the cash rate to 4.60% was consistent with the direction we had anticipated albeit a larger increase to 4.75% would have been more appropriate in our opinion.

The Fund remains invested entirely in floating rate securities. This positioning is especially useful in an environment of elevated or rising short term interest rates, as coupon payments reset with their reference rates. Higher reference rates therefore support portfolio income as those resets occur. Our low interest rate duration also limits sensitivity to rising market yields, although security prices remain exposed to changes in credit spreads and other market influences.

Our investment decisions continue to be driven by the compensation available for the risks we take. We compare securities across issuers, capital structures and expected call dates, considering both income and potential price movements. This discipline helps us identify opportunities when market pricing diverges from our assessment of value. It also guides when we reduce holdings, ensuring that capital is directed towards the most attractive opportunities within our permitted investment universe.

This combination of floating rate income and active security selection remains central to our approach. We seek to capture attractive yields while adding value through relative value trading, secondary market opportunities and participation in appropriately priced new issues. We will continue to assess the inflation outlook and the RBA's response, while maintaining flexibility to take advantage of changing valuations. Our focus remains on generating income while managing credit risk and capital volatility.

³The 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. ⁴The RBA Cash Rate is provided for illustrative purposes only and is not a direct benchmark.

Fund Dashboard

30 September 2026

6.68%

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^

4.4 Years

Weighted Average
Credit Duration^

5.5 Years

Weighted Average
Term to Call

36

Number of Holdings

\$573 million

Current FUM

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

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

^Maximum duration of 1.

Portfolio Features

Tier 1, Tier 2 bonds, and Senior bonds;

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

Currently 36 positions.

Top 5 Holdings

ANZ Sub Notes
Aug 2041

Macq Bank Sub Notes
Aug 2036

QBE Additional Tier 1
Securities Jun 2033 Call

Macq Bank Sub Notes
Sep 2041

BOQ Sub Notes
Jul 2036

Fund Features

Daily Pricing & Liquidity

Monthly Distributions

Management Fees: 0.55%

Other Costs: 0.15% (max)

Performance Fee: zero

Fund Classes

Retail PDS

APIR: EVO3184AU

Wholesale IM

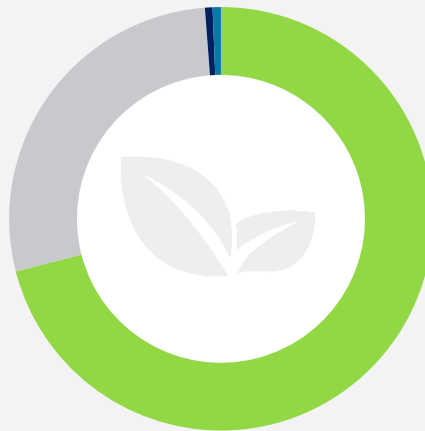
ASX Active ETF

APIR: EVO4781AU
(ASX: SFIF)

Portfolio Holdings

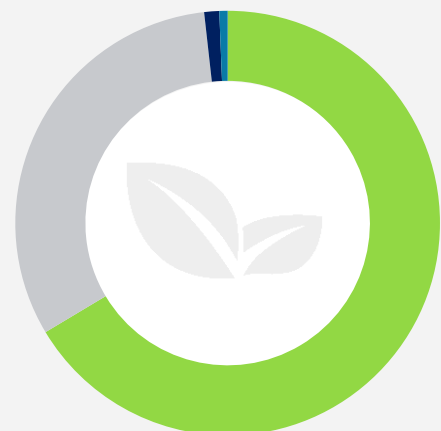
(as at 30 September 2026)

Asset Allocation



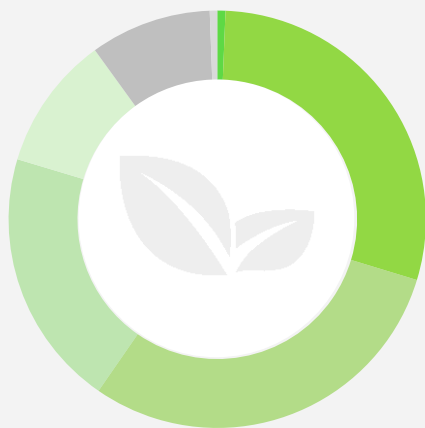
Tier 2 – 71.00% Tier 1 – 27.79%
Senior – 0.58% Cash – 0.63%

Sector Allocation



Bank – 66.41% Insurance – 31.82%
Non-bank – 1.14% Cash – 0.63%

Issuer Credit Rating Allocation²



A Portfolio Issuer Credit Rating^{1,2,3}

AAA (0.63%)
AA- (29.07%)
A+ (29.93%)
A (20.01%)
A- (10.39%)
BBB+ (9.39%)
BBB (0.58%)

90.03% rated A- or above

1. Portfolio Weighted Average
2. Figures to Q3 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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