

This is a medium risk fund, which suits a medium-term investor who wishes to

Receive a regular income

Preserve the value of their capital

Invest ethically

Fund Description

The Fund has been designed to meet the investment needs of organisations aligned with the values of the Anglican Church, such as Churches, Charities and Schools who seek regular income with lower volatility than other investment strategies through an actively managed and liquid investment, within an ethical investment framework.

Over a rolling 3-year timeframe, the fund aims to provide distribution income in excess of the Australian 90 Day Bank Bill Index (BBSW) plus a margin of 0.50% pa.

Over a rolling 3-year timeframe, the fund aims to outperform the 90-day Bank Bill Swap Rate (BBSW) plus a margin of 1.00% pa.

Performance

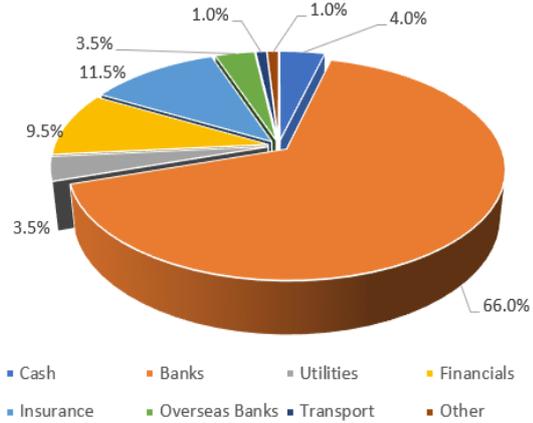
Over the past 6 months the fund has reduced its exposure to Listed Hybrid Securities subsequently increasing the funds held in Corporate notes. This change has been made due to the changing regulatory environment enacted which reduces the attractiveness of this asset class to many regulated issuers.

Investment markets were volatile in early 2025 due to interest rate uncertainty, rising geopolitical tensions, tariffs, and fiscal sustainability concerns.

Over the past year, corporate bonds led performance, followed by semi-government bonds. Tightening credit spreads and solid coupon income supported investment grade credit, with similar drivers for semi-government bonds. Falling local bond yields, especially since November, boosted longer dated fixed-rate bonds, while lower rate expectations hurt floating-rate securities.

Hybrid securities have underperformed credit markets, creating a short term drag on overall performance. Over the past twelve months the Fund has met its total return benchmark whilst underperforming on its distribution benchmark.

Asset mix as at 31 December 2025

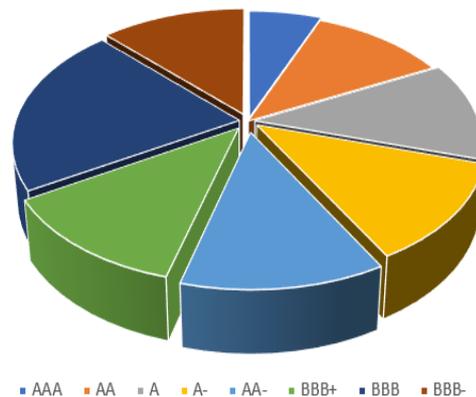


Annual Fund Returns as at 31 December 2025

	1 Year	2 Years	3 Years	Since Inception
Distribution				
Actual	3.9%	4.9%	4.9%	4.2%
Target	4.3%	4.6%	4.6%	4.6%
Total Return				
Actual	4.8%	6.6%	7.4%	5.0%
Target	4.8%	5.1%	5.1%	5.0%

- Income returns are based on % of Funds Under Management.
- Total return are Net returns, including Management Fees.
- Calculation of Total Return assumes that all distributions are reinvested. Past performance is not a guarantee of future performance.
- Enhanced Income Fund Total Return Target is 90 Day Bank Bill Rate Plus 1.0% per annum.
- The unit price as at 31st December 2025 is 1.0193

Rating Exposure



News and Other Information about your Investment

Outlook for 2026

The RBA, has concerns with inflation on the rise, pointing towards expectations of RBA rate increases in 2026.

Increasing interest rates will increase the level of income for the Fund, as most investments are directly tied with the 90 day Bank Bill rate. However fixed rate securities purchased previously will decrease in value, as investors will seek higher returns available elsewhere.

Higher inflation is not a positive environment for the Australian economy. Increasing costs without productivity gains will hurt businesses, whilst real wages decrease. There will be pressure on the federal government to decrease its expenditure, to try to reduce the gap between demand and supply in the economy. Reigning in public spending will be difficult but may be necessary to blunt the rising costs of inputs. Though unemployment is still relatively low, households will continue to feel the squeeze from elevated interest rates, especially mortgage holders; and persistent cost-of-living pressures.

Top 5 Holdings	
ANZ	13.47%
NAB	13.30%
CBA	7.48%
Westpac	4.55%
BNP	3.20%
Total	42.00%

The AFM Enhanced Income Fund offers a defensive income strategy. The fund aims to produce regular income distributions, with minimal capital fluctuation.

The portfolio is constructed using rated, convertible note and listed hybrid securities, providing both income and capital stability. Fund Managers operate under strict guidelines. This fund utilises the services of licensed Wholesale Fund Managers that manage holdings of more than \$100 million in funds under management.

While the fund itself is not rated, the average credit rating of the underlying holdings this period is **A-**, aligning with the fund's low-risk profile. The strategy aims to deliver stable, reliable income with a strong focus on capital preservation and liquidity.

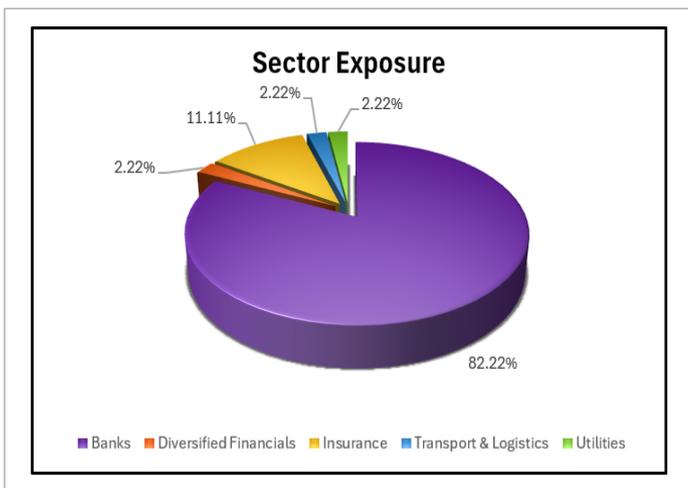
Blaine Fitzgerald Head of AFM

To find out more, please contact

Anglican Funds Management
18 King William Road, North Adelaide, 5006

Telephone **1300 059 305**

Email enquiries@anglicanfundsmanagement.com.au
or visit www.anglicanfundsmanagement.com.au



Important Information: The AFM Enhanced Fund is a charitable investment fundraiser whose activities meet the requirements of ASIC Corporations (Charitable Investment Fundraisers) Instrument 2016/813 (the ASIC Instrument). The ASIC Instrument provides exemption from various fundraising, managed investment and licensing provisions of the Corporations Act 2001 for qualifying charitable investment fundraisers. Neither AFM, the Synod itself, nor its products, nor promotional material and offer documents have been examined or approved by ASIC. By issuing interests in the Fund, the Synod promotes the charitable purposes of the Anglican Church in the Diocese of Adelaide by providing an income stream directly to missional activities, while providing governance and stewardship of Church capital. Investment in the Fund is only intended to attract investors whose primary purpose is to support the charitable purposes of the Anglican Church in the Diocese of Adelaide. The Synod is required by law to notify investors: that its products and their offering are not subject to the usual protections for investors under the Corporations Act or regulation by ASIC; investors may be unable to get some or all of their money back when the investor expects, or at all; and the investment is not comparable to investments with banks, finance companies or fund managers. The Australian Prudential Regulation Authority does not prudentially supervise the Fund therefore, an investor in the Fund will not receive the benefit of the financial claims scheme or the depositor protection provisions in the Banking Act 1959. The Identification Statement lodged and accepted by ASIC may be viewed on the AFM website.