Enhanced Income Fund

Anglicanfunds MANAGEMENT

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.

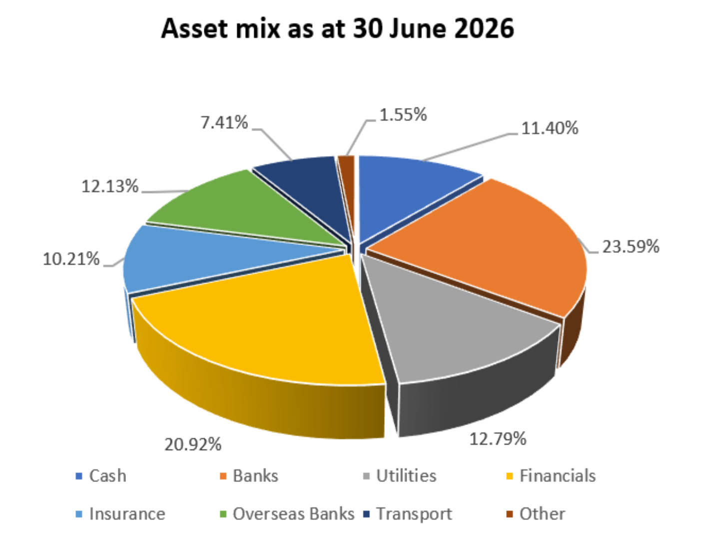
Performance

Over the past 12 months the fund has continued to reduce 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.

Over the past 12 months, the Reserve Bank has increased the Cash Rate to help contain inflation. In turn, 90-day BBSW rates have broadly moved in the same direction, as shown in the table to the right.

The RBA Cash Rate, currently **4.35%**, typically correlates closely with 90-day BBSW. However, when rates are expected to rise, 12-month Term Deposit rates often factor in these expectations ahead of time, resulting in more competitive rates. This has narrowed the relative performance gap between the two investment classes.

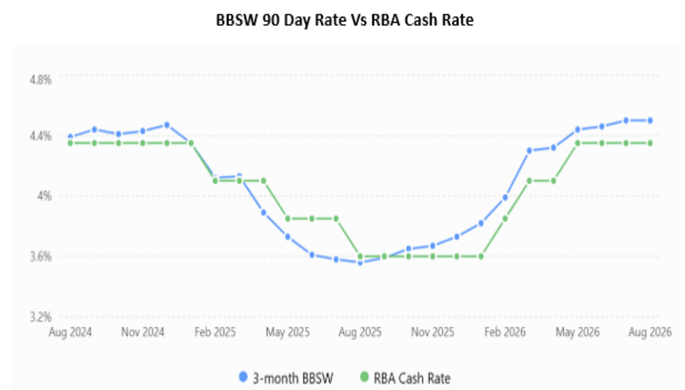
Overall, the fund has bounced back from the March quarter volatility and is showing solid signs of short to medium term recovery. The one year total return produced a solid 4.52% slightly down on the Total Return Fund Target, however the fund elected to pay out a distribution of 5.4% considering the recovery expected for the remainder of 2026.



Annual Fund Returns
as at 30 June 2026

	1 Year	2 Years	3 Years	Since Inception
Distribution				
Actual	**5.4%**	**5.2%**	**5.1%**	**4.3%**
Target	4.5%	4.6%	4.7%	5.2%
Total Return				
Actual	**4.5%**	**5.6%**	**6.7%**	**5.0%**
Target	5.0%	5.1%	5.2%	5.7%

1. Income returns are based on % of Funds Under Management.
2. Total return are Net returns, Including Management Fees.
3. Calculation of Total Return assumes that all distributions are reinvested. Past performance is not a guarantee of future performance.
4. Enhanced Income Fund Total Return Target is 90 Day Bank Bill Rate Plus 1.0% per annum.
5. The unit price as at 30 June 2026 is 1.0217



3-Month BBSW vs RBA Cash Rate

Australia's 3-month BBSW compared with the RBA Cash Rate Target, August 2024 to August 2026.

News and Other Information about your Investment

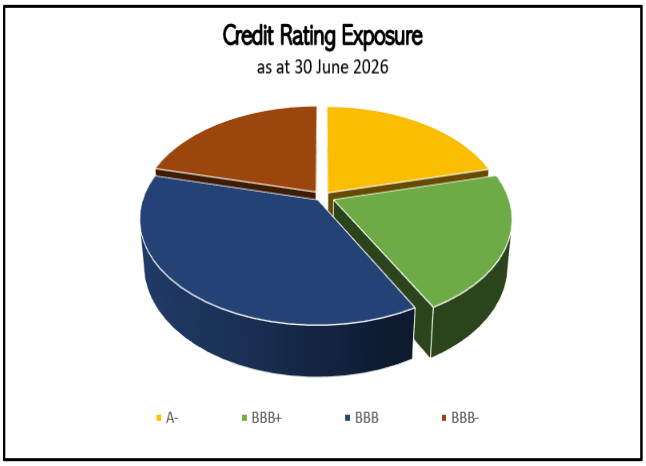
Outlook for 2026

In recent months the Inflation rate has started to trend towards its target rate, however this process has been prolonged. The RBA at its August meeting kept rates on hold but also hinted the potential for another rate rise before the end of 2026 was a possibility.

Following on from the past 12 months Fund Performance we expect this trend to continue with the Fund likely to deliver performance broadly in line with the 12-month Term Deposit rates offered by financial institutions.

With the cash rate holding at 4.35% and potential rate cuts pushed out toward mid-to-late 2027, bond yields remain elevated offering attractive income opportunities alongside resilient domestic credit.

The fund has progressively sold out of Hybrid Securities and diversified its portfolio across broader sectors to spread this volatility, including less concentration with the top four banks, whilst increasing its exposure to Insurance Companies and Large Listed Utility Companies such as AIG and Suncorp.



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 **BBB**, 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

Top 5 Holdings	
ANZ	4.71%
NAB	7.07%
CBA	6.86%
Westpac	4.95%
Baclays	3.71%
Total	27.30%

To find out more, please contact

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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.*