

Enhanced Income Fund



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

Receive regular quarterly income distributions

Invest in defensive asset classes with minimal capital fluctuation

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 require regular income above RBA cash rate returns with lower volatility than other income strategies through an actively managed and liquid investment, within an ethical investment framework.

Over a rolling 3-year timeframe, the fund aims to distribute income paid quarterly that outperforms the Australian 90 Day Bank Bill Index (BBSW) + 0.50% pa.

Over a rolling 3-year timeframe, the fund aims to outperform its target total rate of return of the 90-day Bank Bill Swap Rate (BBSW) + 1.00% pa.

Performance

Over the past 6 months the fund has reduced its exposure to Hybrid Securities subsequently increasing the Funds holding of Convertible notes. This adjustment in portfolio construction strengthens liquidity in times of market volatility.:-

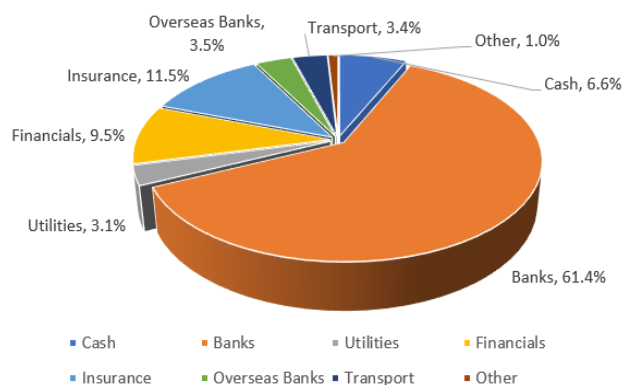
Investment markets were volatile in early 2025 as investors weighed interest rate direction, rising geopolitical tensions, tariffs, and fiscal sustainability concerns.

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 fixed-rate bonds, while lower rate expectations hurt floating-rate securities.

Hybrid securities underperformed credit markets, with stretched valuations limiting upside and falling rate expectations reducing income potential and appeal, with the Fund making relevant reductions in Hybrid Securities, the Fund continues to perform well above target benchmark.

Enhanced Income Fund

Asset Mix as at 30th June 2025



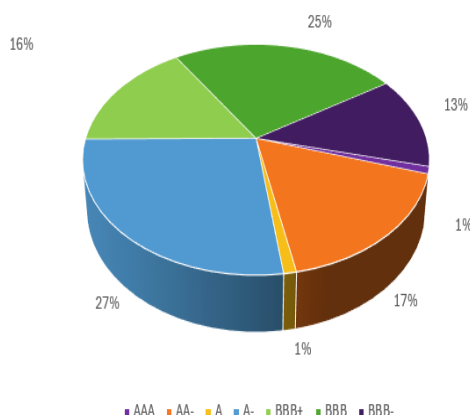
Annual Fund Returns

as at 30th June 2025

	1 Year	2 Years	3 Years	Since Inception
Distribution				
Actual	4.87%	4.73%	4.15%	3.79%
Target	4.70%	4.75%	4.41%	4.01%
Total Return				
Actual	6.29%	7.25%	7.04%	4.78%
Target	5.20%	5.25%	4.92%	4.51%

1. Income returns are based on % of Funds Under Management.
2. Total Returns are Gross returns, Including Management Fees
3. Calculation of Total Return assumes that distributions are reinvested. All returns are after fees have been deducted. Past performance is not a guarantee of future performance.
4. Enhanced Income Fund Total Return Target is 90 Bank Bill Rate plus 1.0% per annum.
5. The unit price at 30 June 2025 is 1.03231
6. SI, refers to Since Inception

Rating Exposure



News and Other Information about your Investment

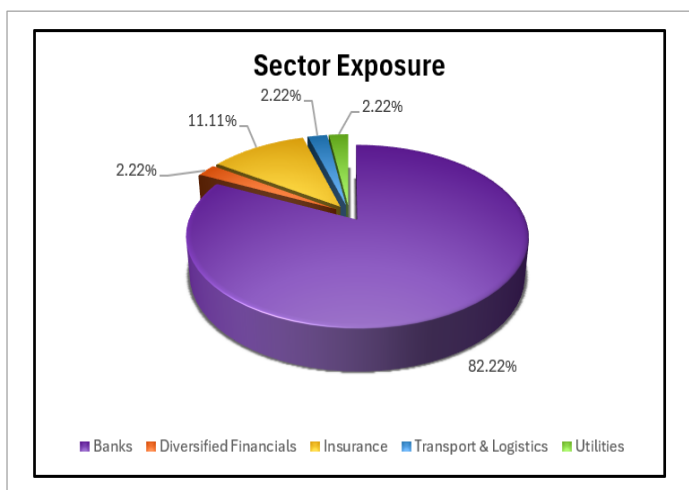
Outlook as at 30 June 2025

The RBA, points towards one or two interest rate cuts in the latter half of 2025 with a further cut expected the first quarter of 2026.

The Australian economy continues to be healthy despite the global uncertainty and volatility surrounding global markets. It is noted the outcomes of the US election may affect the Australian Economy; however, Australia's economic outlook remains finely balanced, with growth expected to stay modest through 2025. Households continue to feel the squeeze from elevated interest rates and persistent cost-of-living pressures, while business investment and exports provide some offset.

Details of our holdings

The AFM Enhanced Income Fund offers a defensive income strategy, targeting a consistent return above the 90-day Bank Bill Swap Rate (BBSW) + 0.50% pa. The fund aims to produce regular income distributions, with minimal capital fluctuation. The fund has a bias to floating rate exposures to ensure greater liquidity in times of volatility.



Top 5 holdings	
NAB	12.16%
ANZ	10.69%
CBA	10.21%
Westpac	8.04%
Macquarie	4.15%
Total	45.25%
<i>from the the top 5 holding these are the largest 5 exposures</i>	

The portfolio is constructed using rated, convertible note and listed hybrid securities, providing both income and capital stability. Fund Managers operate under strict guidelines, including a requirement to maintain a target rate of 75% liquidity. This fund utilises the services of licensed Wholesale Fund Managers that must maintain 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

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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.