# Fixed Income Fund

*Low-volatility income from Australian sovereign and senior bank bonds.*

**MONTHLY FACT SHEET · 30 JUNE 2026**

## STRATEGY & OBJECTIVE

The Arculus Fixed Income Fund invests in Australian sovereign and senior bank bonds selected to generate a high yield commensurate with the assumed risk, with minimum volatility of returns. It is benchmark-unaware with no duration target, focused on an absolute return of the 90-day BBSW rate plus 1.5% p.a. before fees.

The Fund aims to provide income, capital stability and a high degree of liquidity **in all market conditions**, with total return comprising mainly security income. It may suit investors seeking a low-to-medium-risk investment over a 1–3-year horizon.

## KEY FACTS

| | | | |
|---|---|---|---|
| **APIR code** | DDH8305AU | **ARSN** | 622 419 578 |
| **Structure** | Registered MIS (unitised) | **Inception** | 16 Nov 2017 |
| **Responsible entity** | DDH Graham Limited | **Investment manager** | GCI Australia / Arculus |
| **Target return** | 90-day BBSW + 1.5% | **MER (GST incl.)** | 0.40% |
| **Buy / sell spread** | +0.10% / −0.10% | **Performance fee** | Nil |
| **Risk profile** | Low–Medium | **Suggested term** | 1–3 years |

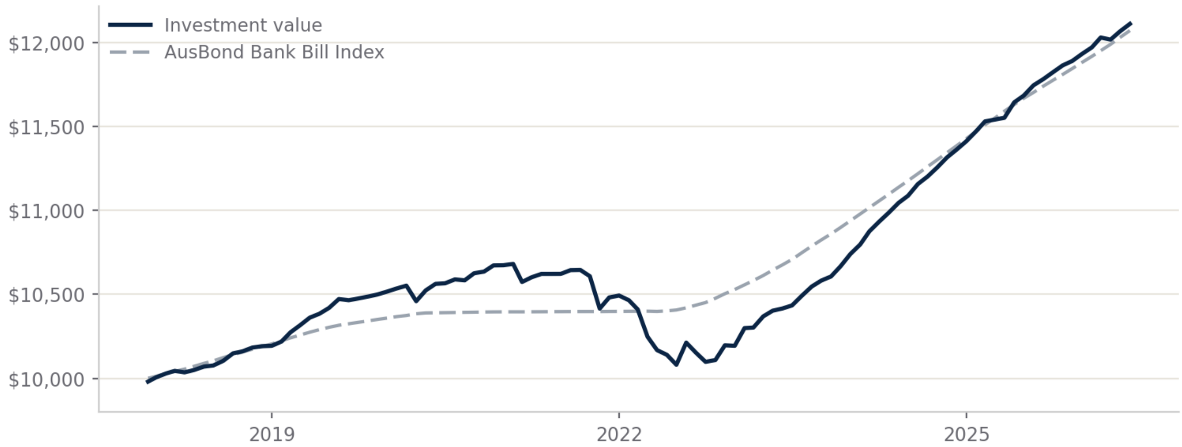
**Platforms** BT Panorama, Allan Gray, HUB24 and Netwealth.

## PERFORMANCE TO 30 JUNE 2026 (% ANNUALISED, NET OF FEES)

| % p.a. | 3M | 6M | 1Y | 2Y | 3Y | 5Y | Incep. |
|---|---|---|---|---|---|---|---|
| **Total return** | **1.22%** | **1.94%** | **4.11%** | **4.74%** | **5.24%** | **2.75%** | **2.33%** |
| **Cash distribution** | 0.85% | 1.81% | 3.71% | 4.76% | 4.75% | 3.60% | 2.86% |
| **Growth** | 0.37% | 0.13% | 0.40% | −0.02% | 0.49% | −0.85% | −0.53% |

*Benchmark-unaware; target return is the 90-day BBSW rate plus 1.5% before fees. Returns use exit prices, assume reinvestment of distributions, and exclude tax. Past performance is not an indicator of future performance.*

## GROWTH OF $10,000 SINCE INCEPTION




*Growth of a $10,000 investment to 30 June 2026, since the Fund's inception — net of fees, with distributions reinvested. Distributions are unfranked. Past performance is not an indicator of future performance. [Chart image pending refresh from the June performance workbook.]*

## PORTFOLIO CHARACTERISTICS

| | | | |
|---|---|---|---|
| Running yield | 5.58% | Yield to maturity | 5.35% |
| Average margin | 0.90% | Avg years to maturity | 1.94 |
| Modified duration | 0.10 | Credit duration | 1.78 |
| Floating | 96.43% | Fixed | 2.38% |
| Cash | 1.19% | Securities held | 44 |

Net asset value **$42.73m** *as at 30 June 2026*

## FUND POSITIONING — JUNE 2026

Over June the Fund deployed the elevated cash balance it had carried through May into higher-margin floating-rate bank and financial credit, with the cash weight falling from 5.80% to 1.19% and floating-rate note exposure rising from 91.87% to 96.43%. The Fund exited the AAA Export Finance FRN and four short-dated, low-margin offshore-bank senior lines (UBS, Mizuho and two United Overseas Bank), trimmed a low-margin Westpac FRN, and redeployed the proceeds into higher-margin regional and mutual-bank paper. This lifted running yield from 5.39% to 5.58%, yield to maturity from 5.19% to 5.35% and average credit margin from 0.74% to 0.90%, while the number of holdings fell from 46 to 44.

The result was a modest uplift in income and credit margin with a slight reduction in interest-rate risk: modified duration eased to 0.10 years while credit duration rose to 1.78 years on the addition of 2029–2031 dated notes. The Fund remains a short-duration, entirely investment-grade, predominantly floating-rate portfolio of Australian bank and financial credit. It returned 44 bps after fees in June, sourced primarily from coupon income, following its 0.85% distribution for the June quarter.

## FUND RATING

The Fund has been rated Investment Grade by Lonsec. Fund ratings are not a recommendation and are subject to change.