

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

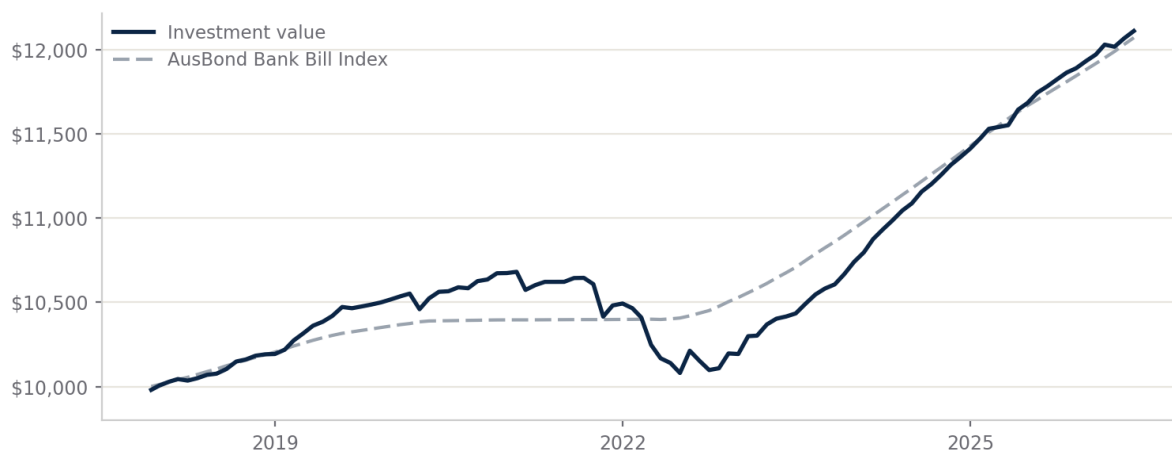
Platforms BT Panorama, Allan Gray, HUB24 and Netwealth.

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.

IMPORTANT INFORMATION

This document is not a recommendation to acquire a particular financial product. The information is of a general nature only. DDH Graham Limited (DDH) has not considered the investment objectives, financial situation or needs of any person when preparing this document. Persons should refer to the Product Disclosure Statement (available from www.ddhgraham.com.au) and seek professional advice before relying on the information. Information has been prepared in good faith by DDH Graham Limited; however, neither DDH Graham Limited nor Arculus Funds Management Pty Ltd warrant its accuracy and, to the extent permitted by law, disclaim responsibility for any loss or damage suffered by any person directly or indirectly through relying upon it. Past performance is not indicative of future performance. Any forward-looking statements are opinions only and are not guarantees of future returns. Actual outcomes may differ.