Fixed Income Fund

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

MONTHLY FACT SHEET · 31 JULY 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	Equity Trustees 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

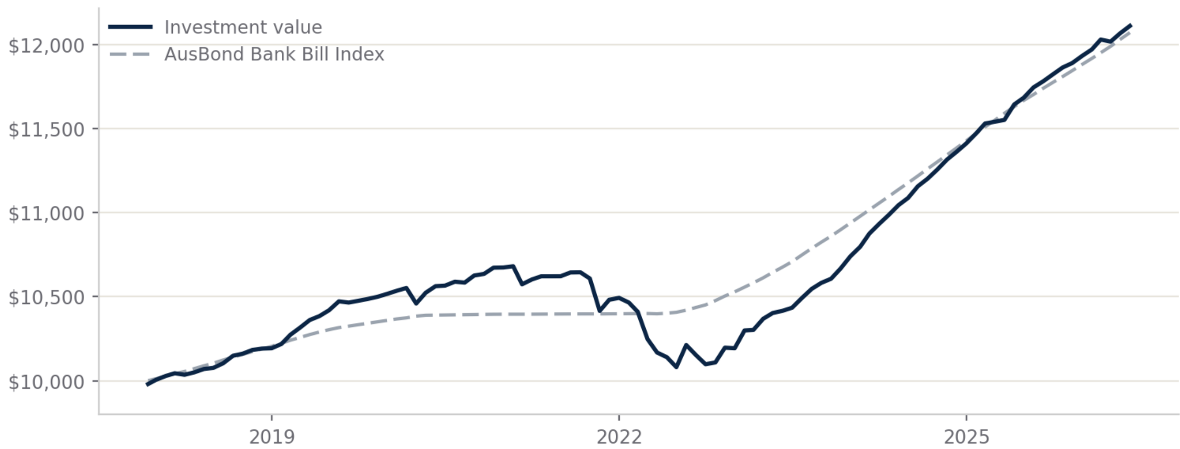
Platforms BT Panorama, Allan Gray, HUB24 and Netwealth.

PERFORMANCE TO 31 JULY 2026 (% ANNUALISED, NET OF FEES)

% p.a.	3M	6M	1Y	2Y	3Y	5Y	Incep.
Total return	**1.24%**	**2.05%**	**4.01%**	**4.64%**	**5.20%**	**2.79%**	**2.36%**
Cash distribution	0.85%	1.81%	3.71%	4.76%	4.75%	3.60%	2.84%
Growth	0.39%	0.24%	0.30%	−0.12%	0.45%	−0.81%	−0.48%

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 31 May 2026, since the Fund's inception — net of fees, with distributions reinvested. Distributions are unfranked. [TBC — chart and caption to be refreshed to 31 July 2026 on receipt of the administrator's July performance workbook.] Past performance is not an indicator of future performance.

PORTFOLIO CHARACTERISTICS

Running yield	5.66%	Yield to maturity	5.48%
Average margin	0.97%	Avg years to maturity	1.89
Modified duration	0.08	Credit duration	1.74
Floating	96.10%	Fixed	2.47%
Cash	1.43%	Securities held	45

Net asset value **$41.34m** *as at 31 July 2026*

FUND POSITIONING — JULY 2026

July was a quiet month for the Fund. The portfolio remained entirely senior and covered paper, entirely investment grade, and 96.1% floating rate. Running yield rose 8 bps to 5.66% and yield to maturity 13 bps to 5.48%, with average credit margin 7 bps wider at 0.97%. These moves are largely mechanical: 90-day BBSW rose 6 bps over the month to 4.51% and reset through a book in which almost every holding carries a quarterly BBSW-linked coupon. Net asset value stood at $41.34m at month-end, against $43.53m at 31 May, with holdings easing from 46 to 45.

Modified duration was 0.08 years; for a book of this construction that measures the average time to the next coupon reset rather than any meaningful exposure to the level of interest rates. Credit duration was 1.74 years and average years to maturity 1.89, with the maturity profile heavily front-loaded — 34.9% of the Fund matures within twelve months and nothing extends beyond five years. The two lines classified as fixed are both major bank holdings totalling 2.47% of the Fund and are modelled with rate duration of 0.03 to 0.04 years, so the effective floating weight is closer to 98.6%. The Fund returned 44 bps in July, sourced almost entirely from coupon income, following a distribution of 0.85% for the June quarter.

FUND RATING

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