Equity Trustees

30 September 2025

SPECTRUM STRATEGIC INCOME FUND (SSIF)

Investment Objective
The Fund aims to generate higher returns than the RBA Cash Rate over the medium term with lower volatility than equities.

Investment Strategy
The Fund holds a diversified portfolio of listed and unlisted debt and hybrid debt securities. Issuers may be government bodies, banks, corporations and, to a limited extent, specialist financing vehicles. To maintain a diversified portfolio structure, certain limits are imposed on security type, credit risk, industry, and issuers.

Target Return
RBA Cash Rate +1.50% p.a. net of fees.

Investment Highlights
- Experienced and active management team with a proven track record
- Quarterly distributions
- Short duration portfolio
- Diversified portfolio of AUD denominated corporate securities.
- Consistent top quartile performance

APIR	ETL0072AU
Entry / Exit Price	1.0854/1.0844
Fund Size	$90.7m
Liquidity	Daily
Distributions	Quarterly
Inception Date	31 May 2009
Benchmark	RBA Cash Rate

Income Distributions

FY25	SEP	DEC	MAR	JUN
Distribution (CPU)	1.27	1.18	1.33	1.23

FY24	SEP	DEC	MAR	JUN
Distribution (CPU)	1.06	1.68	1.19	1.01

Fund Ratings – Investment^^ and ESG##

Superior SQM RESEARCH

MSCI ESG RATINGS AA

Fund Metrics

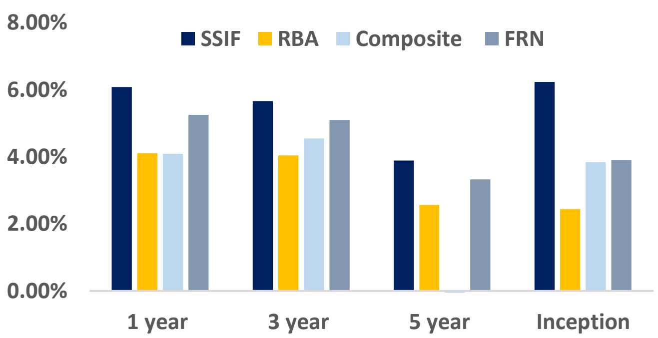
Running Yield	5.17%
Average Yield to Maturity / Call	4.87%
Duration	0.22 years
Credit spread duration	3.68 years
Average credit spread	133 bp
Number of positions	62
Percentage floating rate assets	93.2%
Largest drawdown since inception	1.86%
Best monthly return	4.49%
Negative Total return in consecutive months	0/5month

Performance

PERFORMANCE	1 MTH	1 YR	3 YRS	5YRS	SI
Distribution return	1.31	4.83	4.40	3.40	4.55
Growth return	-0.63	1.26	1.26	0.49	1.68
Total net return	0.57	6.09	5.66	3.89	6.23
Benchmark (RBA Cash Rate)	0.30	4.11	4.04	2.56	2.44
Active Return	0.27	1.98	1.62	1.33	3.79

[2] Performance: distribution return is the return due to distributions paid by the Fund. Growth return is the return due to changes in initial capital value of the Fund. Total net return is the Fund return after the deduction of ongoing fees and expenses and assumes the reinvestment of all distributions. Results greater than one year are annualised. Past performance should not be taken as an indicator of future performance.

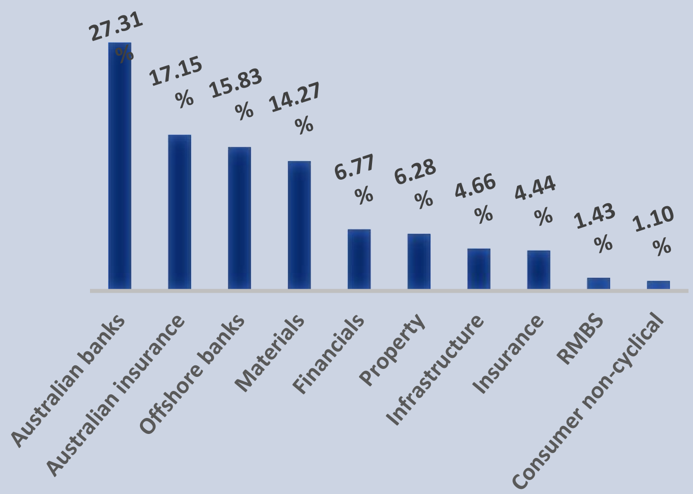
Performance comparisons



FRN -Bloomberg FRN Index
Composite – Bloomberg Composite Index
RBA – RBA Cash rate
Past performance should not be taken as an indicator of future performance.

Signatory of: PRI Principles for Responsible Investment

Sector Allocation Breakdown



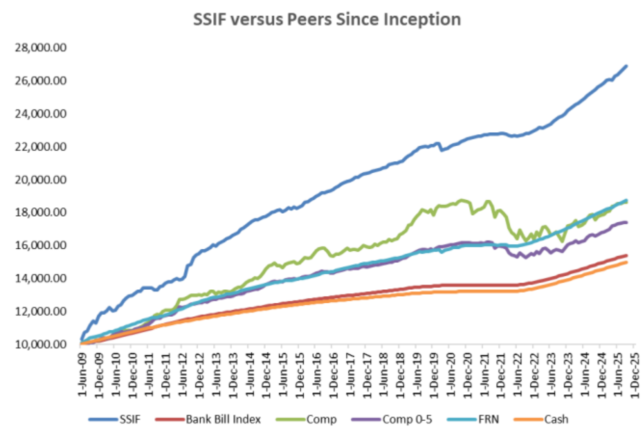
Top 10 Securities

New York Life 24/7/29	4.44%	Scentre Group 27/11/2029	3.31%
Norfina 3/29	3.91%	WBC 9/29	3.30%
Macquarie Bank 2/2/35'30	3.90%	ANZ 16/1/2034'29	3.00%
AMPOL 11/12/2054'30	3.64%	ANZ T1 Hybrid	2.92%
IAG 15/6/37'32	3.55%	AMP 4/11/2027	2.79%

Platforms

- AMG Super
- Bell Direct
- HUB24
- netwealth
- Ausmaq
- CMC Stockbroking
- Powerwrap
- Australian Money Market
- Freedom of Choice
- Nabtrade
- uXchange

Growth of $10,000 since inception



FRN -Bloomberg FRN Index
Comp – Bloomberg Composite Index
Comp 0-5 – Composite Bloomberg Index 0-5 years
Cash – RBA Cash rate
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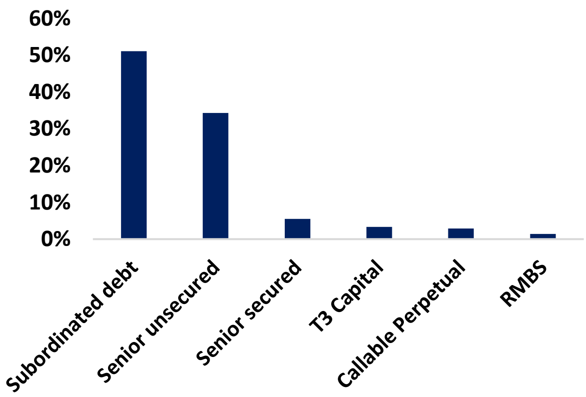
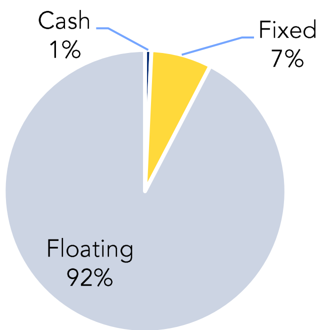
Legal Structure



Fixed/Floating Rate



Portfolio Management

The month started with a view that cash rates may be eased several times over the next 12 months. Recent economic data has swayed opinion to the belief that the RBA has perhaps one more cut to reach the terminal rate. The market is currently pricing a terminal rate around 3.35%. Once this terminal rate level is achieved the market is expecting interest rates to remain steady for a period.

So, what's changed? It's because the economy appears to once again moved into the 'Goldilocks' zone. That is, a benign environment for equity and a positive outlook for credit with economic growth, credit growth and demand for credit remaining strong.

However, one cannot be complacent. There are still risks to the outlook.

The portfolio under the changing credit view is looking for opportunities. The Fund has participated in several new issues and is slowly rebalancing. The A- level for the portfolio remains intact.

Notably, credit cohorts are skewing. The AAA sector is evolving. AA and single A credit weightings are increasing. The portfolio has cherry picked some new BBB cohort issuers and have redeemed the only unrated security in the portfolio. That security was replaced with a BBB rated entity.

Spread compression has continued. The Fund is opportunistically taking profit, where appropriate, and reinvesting.

The Fund continues to invest in higher grade securities. These investments will buffer the portfolio during times of stress and also provide liquidity should we see any significant widening of spreads. The portfolio will continue to invest in BBB rated securities strategically and as a source of additional performance and coupon.

Over the month the Manager added to the Transgrid position. Utilities remain in focus, providing reliable annuity like performance. The portfolio added a new investment Kiwi Bank and continued to invest in the insurance sector investing in QBE, IAG and New York Life.

The portfolio remains heavily invested in floating rate assets. This position is unlikely to change soon. There are a couple inaugural issues pending which are fixed rate securities. The Manager may choose to take a short-term view and accordingly the fixed rate percentage could increase. However,

Market Commentary

Changes are afoot and things as we knew may be changing. Let me explain. The world of risk assets appears to be moving.

Despite all the disturbances to markets, the U.S. economy, the European economy and the Australian economies continue to thrive.

What could possibly go wrong? Markets have several points of contention to be wary of. These being the possible firing of Governor Lisa Cook, the removal of the Head of the Government Statistics Department, a Government Shutdown and the never-ending challenge of tariffs chopping and changing. Any one of these events in the past would have preceded a correction, but this time the market has rallied!

With much of the discussion in the U.S. centred around tariffs and inflation one must be quite mindful of what is driving asset markets in the U.S.

The U. S. economy remains buoyant, and this is reflected in the U.S. equity market. Overlaying the U.S. equity market with the Australian equity market we can see similarities. Revenues are robust, credit growth is buoyant to strong and inflation, whilst rising, is likely to slow the rate of easing of interest rates by both central banks.

The outlier of course is employment, and employment applies to both the Australian and U.S. economies. Under the current market conditions, it is easy to be suspicious.

The big moves relate to traditional Government bond markets and credit.

Government markets face the uncertainty of budget deficits leading to further issuance. There is an expectation that as crypto or meme coins develop there will be a demand for short U.S. treasuries. This does not apply to the long end. We could see a bifurcation.

The uncertainty in treasury markets has already seen (in some countries) strong corporate credits trading around or inside levels that Governments issue. In France 7% of corporate issuers trade inside the respective OAT (Government Bonds). In the U.S. Microsoft is trading a mere 2-3 bp above U.S. treasuries. John Deere, an A rated entity, recently issued +50bps over treasuries - unheard of a few years ago.

The point is one should be aware that the risk free, defensive asset is changing.

Does this mean the demise of treasury markets? Absolutely not. Treasury markets will become ever more at risk to bond vigilantes. The coming test for Governments will be the bond vigilantes. At some point the levels of Government debt will become problematic. Recently we have seen significant outflows in yen bonds as investors grapple with the potential of higher interest rates.

Credit may therefore be viewed as "the defensive asset". If this thesis is true, then the view that credit spreads are too tight may need to change. Corporate credit cannot continue to borrow without an impact on ratings. Corporates in general are bound by profitability, gearing and demand. So, corporates must be somewhat conservative. This is certainly the case for investment grade credits.

As markets have demonstrated investment grade credits with solid ratings and perception are seeing spreads tighten. Recent issuance suggests that demand for credits remains very strong. If the economy is growing, credit growth continuing, labour remains reasonably solid and inflation remains as expected, then there is every reason to see credit spreads continue to compress.

Dispersion of spreads between credits within investment grade cohorts remains tight and shows little hint of stress. Median spread dispersion is tight and anchored towards the lower end of historical spreads.

Our credit market is now reminding one of the Yankee Market, and how the respective issuers trade. Liquidity and demand remain strong and this in turn builds confidence.

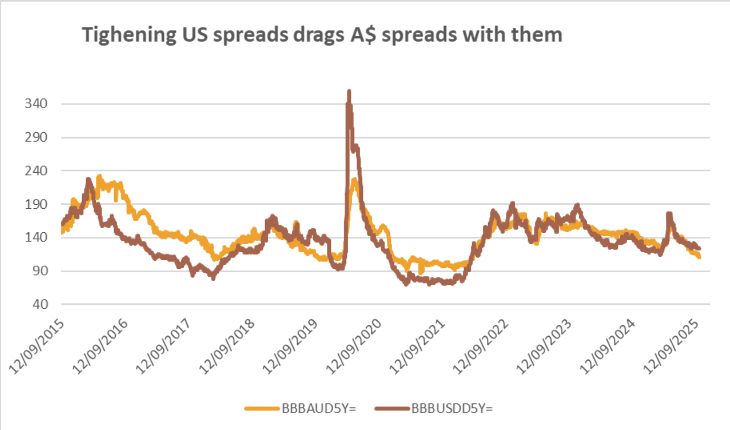
Are spreads too tight? Hindsight will tell us one day. For the moment though across most cohorts' spreads are slightly more than one standard deviation expensive on a 15-year basis. This is not a sign of an over exuberant market as Credit may yet become the new defensive asset!

the increase will not be significant. At time of issue the Manager will be taking duration and market conditions into consideration.

The portfolio has an average coupon of 5.33% and a running yield of 5.17%. The yield to maturity is currently 4.87%. The portfolio returned 0.57% over the month and the rolling annual return is 6.08%.

If spreads continue to perform as expected, the portfolio is well positioned.

The underlying thesis is that economic resilience continues, the labour market will remain stable and credit growth will continue - albeit at a slowing rate of change. The global outlook should remain positive with a possible increase in M&A activity.



*Courtesy LSEG EQT SSIF

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