

Affluence Income Trust

Fund Report & Overview | August 2026

1300 233 583

affluencefunds.com.au

invest@affluencefunds.com.au

Level 10, 320 Adelaide Street,
Brisbane, QLD, 4000

Fund Features

- ✓ Attractive Monthly Distributions*
- ✓ Highly Diversified Fixed Income Portfolio
- ✓ Access to Wholesale Funds

Performance Since Inception

(July 2023)*



7.4%

Total returns
per annum



7.35%

Distributions
per annum

Key Statistics

Investment Class	Fixed Income
Minimum Investment	\$20,000
Suggested Timeframe	At least 1 year
Target Returns	RBA Cash Rate + 3%
Fund Size	\$15.4m
Annual Distributions	7.35 cpu*
Distribution Yield	7.35% p.a.*
Distribution Frequency	Monthly*
Applications	Monthly
Withdrawals	Monthly
Management Fees	Nil*
Performance Fee	10% of positive performance*
Entry/Exit Price	\$0.9994 / \$0.9974
Buy/Sell Spread	0.10% / 0.10%

Platform Availability

Netwealth Mason Stevens HUB24

Investment Objective

The Fund aims to pay a minimum distribution equal to the RBA Cash Rate plus 3% per annum, paid monthly. The Fund also aims to preserve capital over rolling 3 year periods after payment of distributions.

Investment Strategy

The Fund invests predominantly in a highly diversified fixed income portfolio, with a focus on maximising returns with low volatility. The Fund has a flexible investment mandate. This allows us to take advantage of what we believe to be the best risk adjusted investment opportunities within the fixed income asset class at any given time.

Why Use The Fund?

Portfolio Use

The Fund is designed for use as up to a **Core Component** of an investment portfolio for those investors seeking **Income and Capital Preservation** with a **one year** or longer investment timeframe, a **Low** risk/return profile and needing access to capital **Monthly** or less often.

Diversification within Fixed Income

We aim for the portfolio to be highly diversified within the fixed income asset class by sub-sector, underlying manager, investment strategy, credit risk, liquidity, and investment structure.

Access to Wholesale Funds

A significant number of funds in the portfolio are only available to wholesale and institutional investors.

Key Risks

As with all investments, the Fund is subject to risks. If these risks eventuate, they may result in a reduction in the value of your investment in the Fund and/or a reduction or cessation of distributions.

Distributions are not guaranteed, nor is the return of your capital. Affluence aims, where possible, to actively manage risks. However, some risks are outside our control.

* See notes on the last page for additional information. Distributions are not guaranteed. Past performance is not indicative of future performance.

Fund Performance*

To 31 August 2026	1 Month	3 Months	1 Year	2 Years	3 Years	Inception
Distributions	0.6%	1.8%	7.2%	7.4%	7.5%	7.5%
Change in Unit Price (Capital Growth)	-0.1%	-0.1%	-0.3%	-0.3%	-0.1%	-0.1%
Affluence Income Trust Total Return	0.5%	1.7%	6.9%	7.1%	7.4%	7.4%
Benchmark - RBA Cash Rate plus 3%	0.6%	1.8%	6.9%	7.0%	7.1%	7.1%
Performance against Benchmark	-0.1%	-0.1%	0.0%	0.1%	0.3%	0.3%

Fund Monthly Return History*

	J	F	M	A	M	J	J	A	S	O	N	D	Year
2023								0.7%	0.6%	0.6%	0.7%	0.7%	3.4%
2024	0.6%	0.6%	0.7%	0.6%	0.6%	0.6%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	7.7%
2025	0.6%	0.6%	0.5%	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.5%	0.6%	7.2%
2026	0.6%	0.5%	0.4%	0.7%	0.6%	0.6%	0.6%	0.5%					

■ Positive Month
 ■ Stable Month
 ■ Negative Month

Fund Commentary*

The Affluence Income Trust increased by 0.5% in August. The Fund declared a distribution of 0.6125 cents per unit, equivalent to an annualised return of 7.35% per annum. Returns since inception have averaged 7.4% per annum, above the benchmark of the RBA cash rate plus 3%.

Returns this month were impacted by 0.1% as a result of a write down of a loan within one of the Fund's smaller holdings, the Rixon Income Fund. No further impact is expected from that loan, and the manager has reported that the balance of the Rixon portfolio is performing as expected. Despite the write down, Rixon has delivered returns of over 7% during the past year.

Private Credit in Australia

Bathla Group

Bathla Group is the most prominent story in Australian private credit right now. Bathla and related entities went into administration recently, with total reported debts of over \$3 billion, mostly to Australian private credit managers. Bathla develops houses and apartments, with a significant concentration of activity in western Sydney. They own over 200 development sites, and have roughly 2,500 homes under active construction, both through their own building company and external builders.

The Bathla troubles are an important test for many private credit managers in Australia, and we are watching it closely. So far, the vast majority of disclosed debt seems to be at the individual project level. This is a good thing. Lenders in this situation can step in and take appropriate action to minimise their losses.

Within the Affluence Income Trust, one of our eighteen underlying unlisted managers has lent funds to Bathla. The underlying manager involved specialises in complex lending situations and is very well resourced to step in and deal directly with each of the four projects they are involved in, which is what they are doing. Based on the information provided from the manager to date, we do not expect any negative impact on the Fund from these loans. The total look through exposure to the Affluence Income Trust is 0.3%, spread across four projects. Three are complete, with settlements expected to occur in coming months. The fourth development is in the final stages of construction by an external civil contractor and is expected to complete in the next month.

Other underlying managers continue to perform as expected, with no material credit issues reported.

MA Financial

MA Financial announced recently that redemptions will be capped at a lower than usual rate in some of their funds for the next few months, including the MA Secured Loan Series (MA SLS). We are seeing other managers gating or deferring redemptions. MA SLS is a 6.4% position for the Affluence Income Trust. We are very comfortable with the investment and with MA Financial as manager. We remain impressed with their disclosures and transparency and do not intend to reduce our holding in this investment. We do not expect any negative impact on returns from this fund.

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Due Diligence and Liquidity

As part of our due diligence when assessing any unlisted fund, we look carefully at loan concentration, and the weighted average term of the underlying loans. If any fund were to limit liquidity, the most important factor is the period in which they will receive cash as a result of the repayment of underlying loans. Using MA SLS as an example, the weighted average loan term is just under 12 months and the average loan to value ratio of the class of units we hold is around 55%. Even in a stressed economic environment (which is not the case), we would expect that the vast majority of MA SLS loans would be repaid progressively over 1-2 years, and funds could be gradually returned to investors. This is a much better position than, say a loan portfolio with a 3-5 year average term, or an unlisted property or private equity fund, where underlying liquidity is much less predictable.

We have long considered liquidity to be one of the key, if not the key risk in private credit. That is why over the last year, we have progressively taken actions to increase liquidity and reduce risk, including:

- Increasing cash.
- Increasing the portfolio allocation to highly liquid investments.
- Reducing our already small exposure to global private credit.
- Reducing exposure to higher returning, less liquid investments.
- Adding a small amount of Australian Government bonds to the portfolio.

These changes have had a slight negative impact on returns. But because interest rates have been rising (the RBA Cash Rate has increased three times in the last year), distributions have still been growing. Currently, the market is pricing in one or two more interest rate rises over the next 6-9 months. If this occurs, it is likely that income for the Fund will still rise, but by less than the increase in the RBA Cash Rate. This is due to our more conservative positioning and is a normal cyclical feature of the portfolio. We do not intend to sacrifice asset quality to boost yields. Conversely, when interest rates are unnaturally low, we are likely to over-earn.

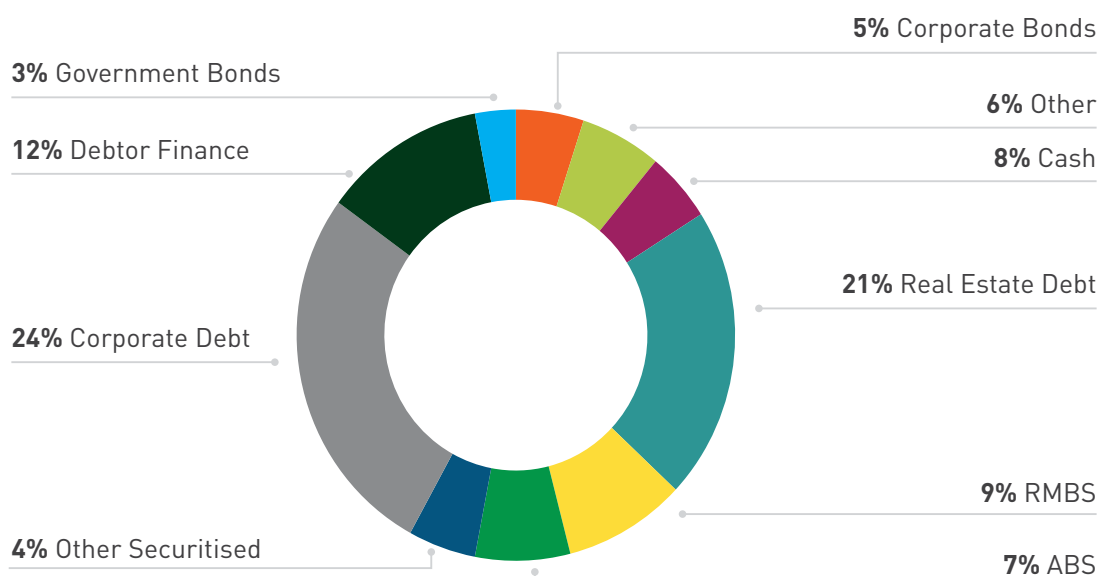
For listed fixed income funds, liquidity risk is being expressed as a fall in the share price, with many listed vehicles now trading at discounts to the value of their loan book. Until very recently, we have had no or very little exposure to listed fixed income investments. We have commenced adding a few very small positions in selected listed fixed income trusts and other debt securities. Largely, these have been in situations where repayment is expected at the end of a fixed term. In these cases, we are buying the investments at a discount to the loan value. As they move towards the repayment date, the discounts should close, providing an extra source of return. This area could well represent an opportunity for value-add in coming months.

If you would like to invest with us and get access to a diverse range of fixed income managers, visit the fund page on our website. There, you can get information on the Fund, apply online or download the application pack. If you'd like to add to your existing investment in the Fund, you can either complete the one-page form available on our website or use the online facility.

The cut-off for applications this month is 25th September. Units will be issued effective 1st October.

Portfolio Sector Diversification

Asset Class – Fixed Income

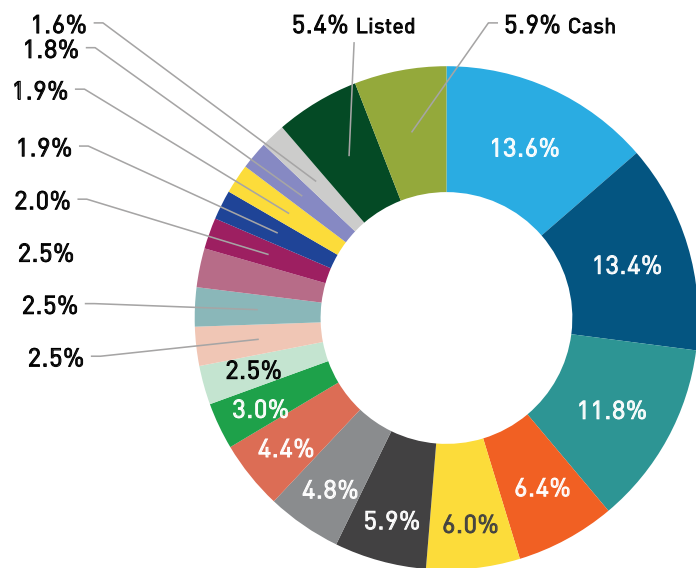


Asset class data is estimated on a look through basis based on the most recent data available for each investment.

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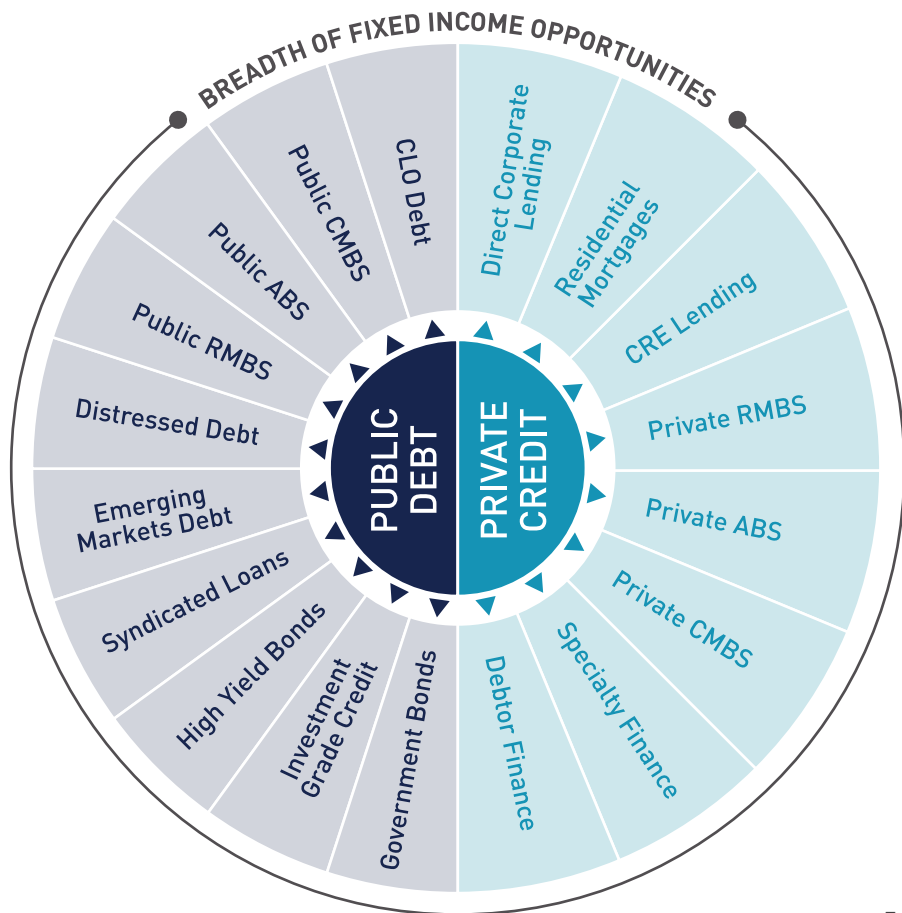
Diversification By Underlying Investment

The Affluence Income Trust currently holds 18 unlisted investments, plus cash. Each segment represents an individual investment of the Fund. Each of these investments in turn owns a portfolio of underlying debt investments, providing access to thousands of individual loans.



Wide Investment Mandate

The Affluence Income Trust has a wide investment mandate allowing us to seek the best risk adjusted returns in the fixed income sector at any given time. We believe that over time the most attractive sectors of fixed income will vary, and therefore the portfolio allocation between sub-sectors will need to vary as well. This feature of the fund provides one of the single biggest opportunities to add value through a cycle.



For illustrative purposes only

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Is the Fund right for you?

The Affluence Income Trust aims to provide you with an attractive level of monthly income derived from the fixed income sector. The Fund is highly diversified in multiple ways across a range of investments in order to reduce concentration risk in any sub-sector.

We believe that to achieve better than average returns, you need to invest differently. We believe that having a flexible approach to portfolio construction provides significant opportunity to add value. We believe that being aware of market cycles can significantly improve performance. And we believe that success requires patience, discipline and a strong focus on risk management.

If you share those beliefs, the Fund may be suitable for you.

Does it suit your portfolio?

The Fund is designed for use as up to a Core Component of an investment portfolio for those investors seeking Income and Capital Preservation with a one year or longer investment timeframe, a Low risk / return profile and needing access to capital Monthly or less often.

As with all investments, the Fund is subject to risks. If these risks eventuate, they may result in a reduction in the value of your investment in the Fund and / or a reduction or cessation of distributions. Distributions are not guaranteed, nor is the return of your capital.

Affluence aims, where possible, to actively manage risks. However, some risks are outside our control.

Why invest with Affluence?

We believe managing less money than average provides us with significant advantages. So we don't aim to be the biggest manager. But we do aim to be one of the best. We are proud of the quality of our products and our performance record.

Our interests are aligned with yours. A significant proportion of our own and extended families wealth is invested in Affluence funds. We charge no fixed fees. Instead, we charge a performance fee based on the returns we deliver for investors⁴.

This focuses us on generating strong returns while managing risk and limiting losses. If you do well, we will do well.

Investment Team



Daryl Wilson
CEO/Portfolio Manager

Email: daryl.wilson@affluencefunds.com.au
Phone: +61 402 046 883
Office: 1300 233 583



Greg Lander
Portfolio Manager

Email: greg.lander@affluencefunds.com.au
Phone: +61 409 645 893
Office: 1300 233 583

The Affluence Income Trust is available to all Australian and New Zealand resident investors. If you have any questions about Affluence, the Fund or our investment team, please get in touch.

1. This information has been prepared by Affluence Funds Management Limited ABN 68 604 406 297 AFS licence no. 475940 (Affluence) as general information only in relation to the Affluence Income Trust ARSN 673 932 271 (Fund). It does not purport to be complete, and it does not take into account your investment objectives, financial situation or needs. Prospective investors should consider those matters and read the Product Disclosure Statement (PDS) and the Target Market Determination (TMD) for the Fund before making an investment decision. The PDS is available at <https://affluencefunds.com.au/ait/> and contains important notices and disclaimers, important information about the offer, as well as investment risks. There is no guarantee of any distribution, forecast, investment return or repayment of capital. This information and the information in the PDS is not a recommendation by Affluence or any of its officers, employees, agents or advisers. Potential investors are encouraged to obtain independent expert advice before any investment decision.
2. Performance data for the Fund is expressed net of fees and costs (excluding the buy-sell spread). Performance calculations assume the reinvestment of distributions. Returns for periods of more than 1 year are annualised. Past performance is not indicative of future performance. The inception date of the Fund is 28 July 2023.
3. The Fund aims to pay a minimum distribution equal to the RBA Cash Rate plus 3% per annum, paid monthly. Distributions are not guaranteed and may be paid above or below this amount.
4. Affluence do not charge any fixed fee for managing the Fund. Affluence charge a performance fee equal to 10% of positive returns. Fees are also payable to the managers of underlying investments and there are expenses associated with the Fund and its underlying investments. Fees and costs related to underlying investments are not paid by the Fund directly, but are reflected in the performance of those investments.