

PPF Enhanced Income Fund

A.R.S.N. 099 838 061

The PPF Enhanced Income Fund has been setup to actively manage an income-oriented portfolio of cash, property, debt and credit obligation instruments and fixed interest instruments. These investments may include a combination of cash and cash equivalent securities, fixed interest and mortgages, floating rate instruments, property, equities, hybrids, convertibles and enhanced yield strategies.

The Fund is designed for investors who are seeking capital stability and regular income with a minimum investment timeframe of 12 months.

PERFORMANCE AS AT 31 DECEMBER 2025

	3 month	1 year	2 year p.a.	3 year p.a.	4 year p.a.	5 year p.a.
PPF Enhanced Income Fund	0.98%	4.27%	4.32%	4.03%	3.54%	3.08%
Benchmark	0.90%	3.97%	4.22%	4.11%	3.39%	2.71%
Value Add (net)	0.08%	0.31%	0.10%	-0.08%	0.15%	0.38%

Actual performance will differ for clients due to timing of their investment. Returns are calculated net of fees. Benchmark is the Bloomberg AusBond Bank Bill Index. Past performance is not an indicator of future returns.

KEY INFORMATION

Investment Objective:	To outperform the Bloomberg AusBond Bank Bill Index (Benchmark) measured over rolling 12-month periods.
Liquidity:	Monthly
Minimum Investment:	\$20,000
Unit Price:	\$1.0000 (at 31 Dec 2025)
Management fee:	0.55% p.a.
Performance fee:	20% > benchmark currently capped at 0.12% p.a.
Manager & Responsible Entity:	PPF Asset Management Limited
Auditor:	RSM Australia
Custodian:	Sandhurst Trustees Limited

Management fee excludes some fees including expense recovery. Refer to PDS for details.

COMMENTARY

For the December quarter, the Fund returned 0.98% net of fees, outperforming the Bloomberg AusBond Bank Bill Index which returned 0.90%. This brings the Fund's calendar year-to-date return to 4.27% net of fees. The Fund's current 12-month running yield is tracking at 4.17% at the time of writing.

Australia's economy has shown perseverance amid rising global tensions and uncertainty, with economic growth stabilising at a moderate pace. The Australian Bureau of Statistics reported a 2.00% GDP increase over the year to September, supported by exports and selective domestic demand, though overall activity remains below the long-term trend. This economic environment points toward steady growth rather than rapid expansion.

Inflation remains above the RBA's 2.00–3.00% target, with the latest November CPI figures at 3.40% while December unemployment fell to 4.10%. Although inflation is trending down, policy remains restrictive, and markets continue to price in the potential for further rate increases. The increase in commodity prices is adding fuel to the fire and making it difficult for the RBA to ignore what the markets already know.

For investors, this backdrop encourages a measured and selective approach. High interest rates support cash and other variable-rate investments. Conversely, sectors sensitive to interest rates or highly leveraged positions may face greater risk under continued monetary tightening. Overall, the Fund remains focused toward income generation and capital preservation.

The RBA Cash Rate sits at 3.60% with the next RBA board meeting scheduled for 3 February.

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Disclaimer

This document is prepared by PPF Asset Management Limited (AFSL 229696) ('PPFAML') as the investment manager, issuer and responsible entity of the PPF Enhanced Income Fund ARSN 099 838 061 ('the Fund').

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The Product Disclosure Statement ('PDS') and Target Market Determination ('TMD') of the Fund are available at the following link: <https://www.ppfunds.com.au/ppf-enhanced-income-fund>. Any potential investor should consider the PDS and TMD before deciding whether to acquire units in the Fund.