

# Monthly Update Enhanced Yield Fund



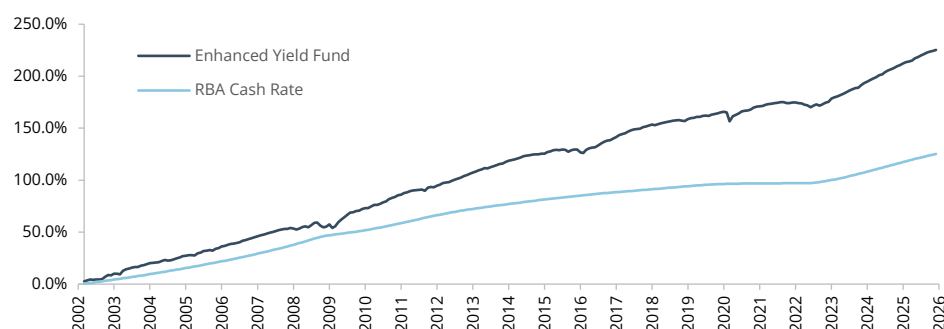
31 December 2025

Seeking to provide income and capital stability through exposure in income securities around the world.

## Performance as at 31 December 2025

Fund performance <sup>1</sup> (net of fees)	Inception date	Exit price (\$/cum)	1 Month	3 Months	6 Months	1 Year	3 Years p.a.	5 Years p.a.	7 Years p.a.	10 Years p.a.	Since inception p.a.
Enhanced Yield Fund <sup>2</sup>	03-2002	1.1554	0.3%	0.8%	2.1%	4.6%	5.7%	3.7%	3.4%	3.6%	5.1%
RBA cash rate			0.3%	0.9%	1.9%	3.9%	4.1%	2.7%	2.2%	2.0%	3.5%
Excess			0.0%	-0.1%	0.2%	0.7%	1.6%	1.0%	1.2%	1.6%	1.6%
Enhanced Yield Fund (Class B units) <sup>3</sup>	05-2017	1.1891	0.3%	0.8%	2.2%	4.6%	5.9%	3.9%	3.6%		3.5%
RBA cash rate			0.3%	0.9%	1.9%	3.9%	4.1%	2.7%	2.2%		2.0%
Excess			0.0%	-0.1%	0.3%	0.7%	1.8%	1.2%	1.4%		1.5%

## Total return since inception<sup>4</sup>



## Risk/return

Standard deviation (1 yr)	0.5%
Maximum drawdown	3.2%
Percentage of positive months	86.4%

## Duration<sup>5</sup>

Interest rate	0.66
Average term to maturity	1.67

Calculations are based on exit price with distributions reinvested, after ongoing fees and expenses but excluding individual tax. <sup>4</sup> Fund Inception 1 March 2002. These figures represent past performance only. No guarantees exist of future returns above or below these figures. Past performance is no indication of future performance. Neither PM Capital Pty Limited nor any other person makes any representation as to the future performance or success of, the rate of income or capital return from, recovery of money invested in, or income tax or other taxation consequences of, any investment in the Fund. <sup>5</sup> Estimates and should be used as a guide only.

## Fund commentary

The PM Capital Enhanced Yield Fund (Fund) generated a positive return in December, preserving capital despite a further spike in market interest rate expectations.

The Reserve Bank of Australia (RBA) left interest rates on hold during the month, while raising concerns around persistent inflation coupled with sign of improving economic activity. The RBA's statement reinforces that future changes to the official cash rate will be data dependent, and thus the next few inflation data points will be highly anticipated.

The market is priced for two interest rate increases in Australia during 2026. Should they eventuate, we believe this would place meaningful pressure on consumers, and so the Fund took the opportunity to increase its exposure to fixed rate yields at what we believe to be an attractive level for the risk.

We added to the Fund's position in **Auckland Airport** during the month. It owns and operates a vital asset, backed by a strong balance sheet and experienced management team. The Fund also added to its **Australian Gas Networks** investment, given it owns well-run assets earning a regulated return.

The Fund is in a strong position to take advantage of volatility in risk markets. Meanwhile, we are comfortable with the significant amount of investing done over the course of 2025.

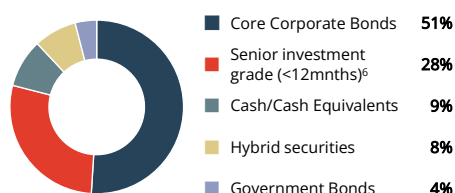
<sup>1</sup> Returns are calculated from exit price to exit price assuming the reinvestment of distributions for the period as stated and represent the combined income and capital return. See [www.rba.gov.au](http://www.rba.gov.au) for further information on the RBA Cash Rate (Index). <sup>2,3</sup> Refer to Fees disclosed on the next page.

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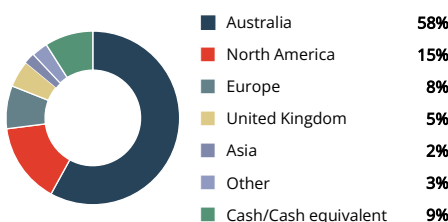


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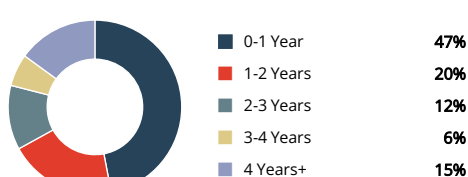
## Actual exposure



## Regional allocation (100%)



## Yield security maturity profile (100%)



## Monthly Return Series (From January 2012)<sup>7</sup>

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	CYTD
2025	0.5%	0.4%	0.2%	0.3%	0.7%	0.4%	0.5%	0.3%	0.5%	0.3%	0.1%	0.3%	4.6%
2024	0.5%	0.5%	0.6%	0.4%	0.6%	0.3%	0.7%	0.5%	0.4%	0.5%	0.4%	0.4%	6.0%
2023	1.1%	0.4%	0.4%	0.4%	0.4%	0.6%	0.5%	0.5%	0.3%	0.1%	0.9%	0.7%	6.5%
2022	0.0%	-0.3%	0.0%	-0.4%	-0.3%	-0.7%	0.6%	0.4%	-0.4%	0.4%	0.6%	0.4%	0.2%
2021	0.2%	0.1%	0.4%	0.3%	0.1%	0.2%	0.2%	0.2%	0.0%	-0.3%	0.0%	0.2%	1.6%
2020	0.2%	-0.3%	-3.2%	1.8%	0.5%	0.6%	0.6%	0.2%	0.1%	0.4%	0.7%	0.3%	2.1%
2019	0.7%	0.4%	0.2%	0.3%	0.1%	0.4%	0.2%	-0.1%	0.4%	0.3%	0.2%	0.3%	3.3%
2018	0.3%	-0.2%	0.3%	0.4%	0.2%	0.3%	0.2%	0.3%	0.1%	0.1%	-0.2%	-0.2%	1.6%
2017	0.7%	0.7%	0.4%	0.4%	0.6%	0.5%	0.4%	0.2%	0.2%	0.5%	0.3%	0.3%	5.3%
2016	-1.1%	-0.3%	1.5%	0.6%	0.3%	0.2%	0.8%	0.7%	0.7%	0.5%	0.2%	0.6%	4.6%
2015	0.0%	0.7%	0.3%	0.5%	0.1%	-0.2%	0.3%	-0.1%	-0.8%	0.8%	0.2%	0.0%	1.7%
2014	0.5%	0.3%	0.3%	0.5%	0.4%	0.5%	0.3%	0.2%	0.2%	0.1%	0.0%	0.3%	3.7%
2013	0.7%	0.4%	0.7%	0.5%	0.5%	-0.1%	0.6%	0.4%	0.5%	0.6%	0.1%	0.7%	5.6%
2012	0.7%	0.6%	0.7%	0.4%	0.1%	0.5%	0.7%	0.5%	0.5%	0.7%	0.4%	0.6%	6.6%

The complete historical monthly return series since inception can be provided on request.

## Key Fund Details

Fund category	Fixed income
Investment style	Fundamental, bottom-up-research intensive approach
Inception date	1 March 2002
Fund size	\$729.8 million
Strategy size	\$1.02 billion
Minimum direct investment	\$20,000
Recommended investment time	Two years plus
Fees (pa)	<sup>2</sup> Performance Fee Option: Management fee: 0.55%. Performance fee: 25% of net excess above RBA Cash Rate (subject to a high watermark). <sup>3</sup> Management Fee Option - Class B units: Management Fee: 0.79%.
Buy/sell spread	+/- 0.10%
Investor profile	The Fund may be appropriate for investors seeking capital preservation and potential return in excess of the Reserve Bank of Australia's (RBA) cash rate with a low degree of volatility.

<sup>6</sup> Senior investment grade securities with maturities of 12 months or less. <sup>7</sup> After fees.

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## Award-winning investment team

The Fund is led by Jarod Dawson, Global Yield Portfolio Manager. Jarod has had a distinguished career in global fixed income investing. He leads a team of credit analysts and collaborates with the broader investment team to identify opportunities in global credit markets.



**Jarod Dawson**  
Global Yield Portfolio Manager

Jarod is regarded as a thought leader in absolute return fixed income investing and under his direction, the Enhanced Yield Fund has held a consistent 'recommended' rating from major rating agencies for more than 20 years.

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