

# Trilogy Enhanced Income Fund

INVESTMENT REPORT



# Trilogy Enhanced Income Fund

INVESTMENT REPORT | DECEMBER 2025

## NET DISTRIBUTION RATE<sup>1,2</sup>

# 5.15% p.a.

Distributions are variable. Past performance is not a reliable indicator of future performance.

## HISTORICAL PERFORMANCE<sup>2,3</sup>

	1 MONTH	3 MONTH	6 MONTH	1 YEAR	3 YEAR p.a.	5 YEAR p.a.	INCEPTION p.a.
Return	0.44%	1.30%	2.60%	5.41%	5.73%	4.64%	4.31%
Benchmark	0.43%	1.29%	2.59%	5.35%	5.53%	4.20%	3.51%
Excess	0.01%	0.01%	0.01%	0.06%	0.20%	0.44%	0.80%

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## INVESTMENT STRATEGY

The Fund enhances income returns via an approximate 35% exposure to the pooled mortgage portfolio of the Trilogy Monthly Income Trust (TMIT). TMIT finances a diverse range of property developments in the residential, commercial, industrial, and retail property sectors. The remaining 65% asset allocation is a direct or indirect investment in a portfolio of cash, fixed interest investments and other financial assets.

## APIR

APIR Code TGY9789AU

## FUND INFORMATION

Funds under management	\$83.85m
Inception	May 2017
Unit price <sup>4</sup>	\$1.00
Minimum initial investment	\$5,000
Distribution frequency	Monthly
Withdrawal notice period <sup>5</sup>	30 days
Management fee <sup>10</sup>	0.35%

## PLATFORM AVAILABILITY

Netwealth HUB24  
 Mason Stevens  
 Australian Money Market  
 uXchange/Dash

## INVESTMENT FEATURES

- ✓ Competitive monthly income with access to distribution reinvestment
- ✓ Diversified underlying portfolio
- ✓ Proactive risk management

## ABOUT THE MANAGER

Trilogy Funds Management Limited (Trilogy Funds), is the responsible entity for the Fund and an alternative asset manager specialising in the real estate sector. Established in 1998, Trilogy Funds has a track record of providing investors with income generating investment solutions and capital preservation throughout market cycles. Trilogy Financing Pty Ltd, a Corporate Authorised Representative of Trilogy Funds, is investment manager of the fund and oversees asset allocation and liquidity management.

## PERFORMANCE (AS AT 31 DECEMBER 2025)

Monthly distribution annualised<sup>2</sup>



Growth of \$10,000 investment (since inception)<sup>6</sup>



## RESEARCH RATINGS<sup>7</sup>



# Trilogy Enhanced Income Fund

ADVISER INVESTMENT REPORT | DECEMBER 2025

## FUND UPDATE

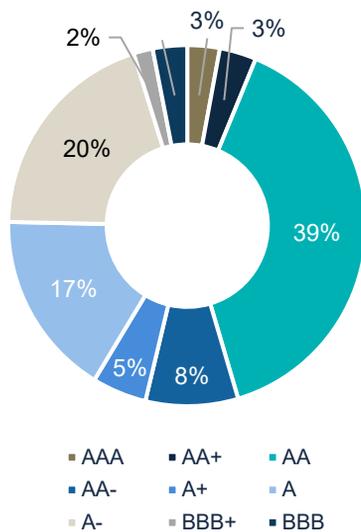
The Trilogy Enhanced Income Fund (TEIF) delivered a return of 5.15% p.a. for the month ending 31 December 2025, maintaining its track recording of providing investors with competitive monthly income and returns over its benchmark of the Official Cash Rate (OCR) plus 1.5%. The next Reserve Bank of Australia (RBA) meeting will be held on 3 February<sup>12</sup>, and expectations for the 2026 cash rate outlook remain mixed among the major banks. ANZ anticipates the cash rate will remain on hold, while CBA forecasts a 25-basis point increase in February. NAB projects a more hawkish path, expecting a 25-basis point rise in February followed by another in May. In contrast, Westpac continues to expect the cash rate to remain steady.<sup>13</sup> The latest Australian Bureau of Statistics data indicate the Consumer Price Index (CPI) rose 3.4% in the 12 months to November, down from 3.8% in the year to October, above the RBA's 2-3% target range.<sup>14</sup>

December marked the conclusion of another strong year for the Australian securitisation market, where issuance volumes totalled near \$80 billion, approaching the high achieved in 2024. Residential Mortgage and Auto Loan asset-backed securities (ABS) continued to issue throughout the month, supported by robust consumer lending patterns, international investor interest and the appeal of their simple structures alongside attractive risk-return profiles. While December traditionally is a more subdued period for primary issuance across most sectors, the market experienced strong investor demand for ABS as portfolios were positioned ahead of the holiday season. Market analysts anticipate that the ABS sector will sustain its upward trajectory, potentially heading toward the \$100 billion milestone in 2026. Deals issued in December include the \$1.2 billion Triton (RMBS), \$1.0 billion Resimac (RMBS), \$406.5 million Taurus Auto (ABS), \$383.0 million Great Money (RMBS), \$350.0 million Avanti Auto (ABS). An additional \$4,000,000 was allocated to TEIF's ABS mandate and has been deployed in short-dated Bank FRNs awaiting primary ABS issuance to resume in 2026.

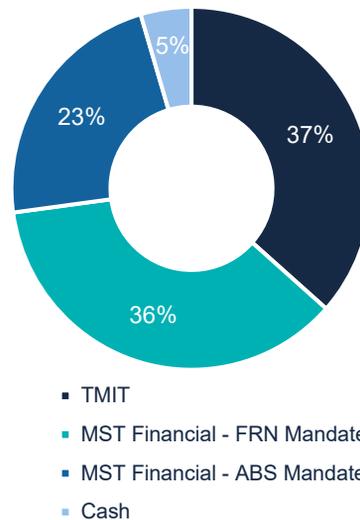
The Tier 2 subordinated debt market also slowed in December, reflecting typical year-end issuance and a cautious investor backdrop. Primary market activity was limited, with issuers largely stepping back following the large supply seen in November and ahead of year-end positioning. As a result, market focus shifted to secondary trading, where spreads remained volatile. Investors adjusted their exposures to the sector amid continued uncertainty around the RBA forecasts, flagging possible hikes if inflation persists. Bond yields remained elevated through December, with persistent upward pressure on long-end rates contributing to subdued demand for fixed-rate subordinated debt. Demand for Tier 2 floating rate notes proved more resilient providing an offset against possible rate increases. Looking ahead, Tier 2 issuance is expected to remain light through the early part of the New Year, with issuers likely to re-engage once market conditions stabilise and investor risk appetite improves. Exposure to subordinated debt in the TEIF and the Trilogy Monthly Income Trust (TMIT) floating rate (FRN) mandates was 48.6% and 49.9% respectively, with the remainder in senior debt and cash. As of 31 December, approximately 37% of TEIF's assets were held in TMIT, continuing to enhance the return for investors.

## FUND SNAPSHOT<sup>8 11</sup>

Credit quality exposure (MST Mandates only)<sup>9</sup>



Asset allocation



## HISTORICAL MONTHLY RETURNS (PREVIOUS FIVE YEARS)<sup>8</sup>

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CY Total
2021	0.28%	0.27%	0.28%	0.25%	0.26%	0.25%	0.26%	0.26%	0.25%	0.23%	0.22%	0.23%	3.04%
2022	0.19%	0.16%	0.18%	0.18%	0.20%	0.23%	0.25%	0.27%	0.29%	0.33%	0.33%	0.36%	2.99%
2023	0.38%	0.36%	0.42%	0.43%	0.47%	0.47%	0.51%	0.51%	0.50%	0.51%	0.50%	0.51%	5.58%
2024	0.51%	0.50%	0.53%	0.52%	0.54%	0.52%	0.54%	0.52%	0.51%	0.52%	0.50%	0.52%	6.21%
2025	0.52%	0.45%	0.48%	0.47%	0.46%	0.43%	0.45%	0.43%	0.42%	0.44%	0.42%	0.44%	5.41%

Distributions are variable. Past performance is not a reliable indicator of future performance. Return calculations per the number of days in the respective month.

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Investments in the Trilogy Enhanced Income Fund ARSN 614 682 469 can only be made on the application form accompanying the Product Disclosure Statement (PDS) dated 10 April 2024 issued by Trilogy Funds Management Limited (Trilogy Funds) ABN 59 080 383 679 AFSL 261425 and available from [www.trilogyfunds.com.au](http://www.trilogyfunds.com.au). Please also consider the Target Market Determination (TMD) dated 10 April 2024 which is available at <https://trilogyfunds.com.au/>.

This product carries capital, distribution and other risks. You should consider Section 6 of the PDS before investing. Information included in this communication about investment yield and returns should be considered only as part of a balanced review of all the features, benefits and risks associated with the product. Please read the PDS and the TMD in full. All investments, including those with Trilogy Funds, involve risk which can lead to no or lower than expected returns, or a loss of part or all of your capital. Investments in Trilogy Funds' products are not bank deposits and are not government guaranteed.

Product Disclosure Statement (PDS) is available on the Fund webpage [here](#).

The Target Market Determination (TMD) for Units in the Fund is available free of charge on the Fund webpage [here](#).

**1.** Equivalent net distribution rate annualised paid to investors for the month ended 31 December 2025. **2.** All distribution rates quoted are variable, net of fees, costs and taxes and assume no distribution reinvestment. Past performance is not a reliable indicator of future performance. **3.** 3-year, 5-year and inception data are reported on a per annum basis. The target benchmark is the Official Cash Rate target plus 1.50% p.a. assuming reinvestment of distributions but before fees and expenses and taxes, over a rolling 12 months period. **4.** The unit price is fixed, however, capital losses can occur in circumstances where the Fund incurs a capital loss. **5.** See PDS & TMD for details. **6.** Assumes distributions are reinvested and does not take into account any tax friction throughout the period. Past performance is not a reliable indicator of future performance. **7.** The information contained in the Foresight Analytics report and encapsulated in the investment rating is of a general nature only. The report and rating reflect the opinion of Foresight Analytics and Ratings Pty Limited (AFSL 494552). It does not take into account an individual's objectives, financial situation or needs. Professional advice should be sought before making an investment decision. A fee has been paid by the Fund Manager for the production of the report and investment rating. **8.** As at 31 December 2025. **9.** Only includes investments associated with MST Financial Services Pty Ltd (MST) (MST Mandates) in the portfolio. **10.** 0.35% p.a. of the gross asset value of the Fund. **11.** Graph figures may not sum to 100% due to rounding. **12.** <https://www.rba.gov.au/schedules-events/board-meeting-schedules.html> **13.** <https://www.canstar.com.au/home-loans/interest-rate-forecast-australia/> **14.** <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release>