

Trilogy Enhanced Income Fund

INVESTMENT REPORT



Trilogy Enhanced Income Fund

INVESTMENT REPORT | FEBRUARY 2026

NET DISTRIBUTION RATE^{1,2}

5.35% p.a.

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

HISTORICAL PERFORMANCE^{2,3}

	1 MONTH	3 MONTH	6 MONTH	1 YEAR	3 YEAR p.a.	5 YEAR p.a.	INCEPTION p.a.
Return	0.41%	1.29%	2.57%	5.29%	5.77%	4.70%	4.32%
Benchmark	0.41%	1.28%	2.55%	5.27%	5.56%	4.32%	3.54%
Excess	0.00%	0.01%	0.02%	0.02%	0.21%	0.38%	0.78%

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INVESTMENT STRATEGY

The Trilogy Enhanced Income Fund (**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	\$85.60m
Inception	May 2017
Unit price ⁴	\$1.00
Minimum initial investment	\$5,000
Distribution frequency	Monthly
Withdrawal notice period ⁵	30 days
Management fee ¹⁰	0.35%

PLATFORM AVAILABILITY

Netwealth HUB24
 Mason Stevens
 Australian Money Market
 uXchange/Dash

INVESTMENT FEATURES

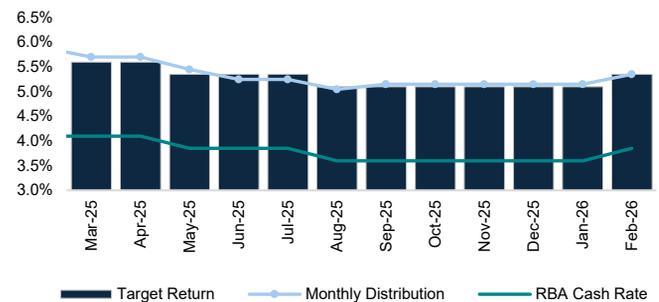
- ✓ Competitive monthly income with access to distribution reinvestment
- ✓ Diversified underlying portfolio
- ✓ Proactive risk management

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 28 FEBRUARY 2026)

Monthly distribution annualised²



Growth of \$10,000 investment (since inception)⁶



RESEARCH RATINGS⁷



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FUND UPDATE

The Trilogy Enhanced Income Fund delivered a return of 5.35% p.a. for the month ending 28 February 2026, continuing its track record of providing competitive monthly income and returns in line with its benchmark of the Official Cash Rate (OCR) + 1.50%.

Activity in the Australian securitisation market accelerated meaningfully in February following the quieter seasonal start to the year. A strong pipeline of residential mortgage-backed securities (RMBS) and asset-backed securities (ABS) issuance came to market, led predominantly by non-bank lenders. Transactions from Liberty, La Trobe, AFG, ORDE, Sapphire and Olympus collectively contributed roughly \$10 billion of new supply over the month. MA Money also issued a \$1.25 billion auto and consumer loan securitisation, attracting strong demand across the capital structure. Both the Trilogy Enhanced Income Fund and Trilogy Monthly Income Trust floating rate note portfolios participated in the Class C and Class D tranches of the MA Money transaction, where spreads offered compelling relative value compared with similarly rated RMBS notes.¹² In secondary markets, spreads were broadly stable with a modest widening bias as investors digested the large volume of new issuance. While the increased supply exerted some upward pressure on spreads, overall demand remained resilient, supported by ongoing interest from both domestic and offshore buyers. The forward pipeline also remains constructive, with further RMBS and ABS deals expected to keep primary markets active into the second quarter.

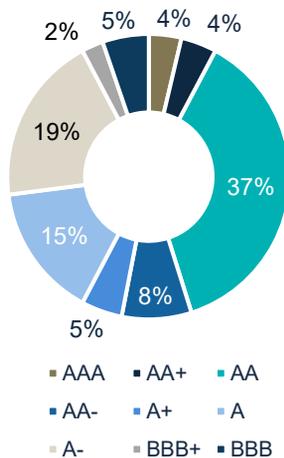
Deals issued in February include the \$2.0b Liberty (RMBS), \$1.25b La Trobe (RMBS), \$1.25b MA Money (ABS), \$1.25b Sapphire (RMBS), \$1.2b AFG (RMBS), \$1.0b ORDE (RMBS) and \$1.0b Olympus (RMBS). Primary issuance returned to the domestic subordinated market in February, with several Tier 2 transactions printing across the sector. An \$800k allocation to the CBA 10NC5 was secured for the Fund's FRN portfolio.¹² All transactions were well supported, with books building strongly and pricing tightening from initial guidance amid solid investor demand. Spreads on the 5yr Tier 2 widened by ~10bps over the month. Macro developments remained a key driver of sentiment.

Expectations of restrictive monetary policy settings persisted, contributing to volatility in duration-sensitive assets. The Fund's FRN and ABS portfolios have a duration of 0.16 years and 0.05 years, respectively. The low duration of the portfolios reflect the floating rate securities which reset quarterly in line with benchmark rates (BBSW), reducing volatility compared to non-floating rate securities. A higher-for-longer interest rate environment is becoming increasingly likely as elevated oil prices are expected to contribute to renewed inflationary pressures. Oil is currently hovering around US\$100 per barrel following the closure of the Strait of Hormuz, a narrow waterway through which approximately 20% of global oil exports transit. In response, Treasury now expects inflation to rise further, into the mid-to-high 4% range, according to Treasurer Jim Chalmers.¹² All major banks are currently forecasting a further 25 basis point increase in the OCR at the RBA's next meeting in May.¹³

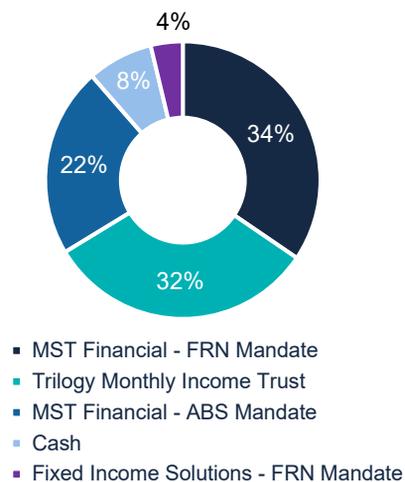
Against this backdrop, investor demand continued to favour floating-rate bank credit, with Tier 2 FRNs remaining attractive for income-focused portfolios given their spread premium to senior bank debt. Issuance in the subordinated market is expected to remain opportunistic but steady, as banks continue to manage regulatory capital requirements and refinance upcoming maturities.

FUND SNAPSHOT^{8 11}

Credit quality exposure (FRN/ABS Mandates only)⁹



Asset allocation



HISTORICAL MONTHLY RETURNS (PREVIOUS FIVE YEARS)⁸

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CY Total
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%
2026	0.44%	0.41%											

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. 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 28 February 2026. **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 28 February 2026. **9.** Only includes investments associated with MST Financial Services Pty Ltd (MST) (MST Mandates) and Fixed Income Solutions Pty Ltd (FIS Mandates). **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.afr.com/policy/economy/rba-lifts-interest-rates-now-to-avoid-recession-later-20260317-p5ob4a> **13.** <https://www.canstar.com.au/home-loans/interest-rate-forecast-australia/>