

Trilogy Enhanced Income Fund

TRILOGY

3.31% PA*

March 2021 net distribution rate

Variable Rate. Past performance is not reliable indicator of future performance.

INVESTMENT REPORT | MARCH 2021

AT A GLANCE

Investment type

Unlisted diversified income fund

Launch

May 2017

Withdrawals

30 days; see PDS for details

Automatic reinvestment

Available

Minimum additional investment

Nil

Method of payment

Direct debit, BPAY and EFT

Target asset allocation

Approximately 65% allocation to cash, term deposits, direct and indirect investments in other short term debt instruments.

Approximately 35% allocation to the Trilogy Monthly Income Trust.

Risks

This product carries capital, distribution and other risks. You should consider Section 5 of the PDS before investing.

INDEPENDENT RESEARCH



PERFORMANCE

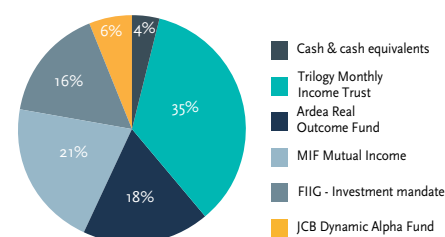
The Trilogy Enhanced Income Fund (Fund) returned 3.31% p.a.* for the month of March 2021.

In March, all holdings in the portfolio performed well in relation to underlying allocation positions. Our proactive management of the holdings during March, and the first quarter of this calendar year, saw them outperform relevant bond indices.

The yield on Australian Government 10-year debt narrowed by 13 basis points during March, compressing from the significant yield expansion seen at the end of February. Credit positioning was also accretive to portfolio performance, with 5-year floating rate notes compressing further across the month. The AusBond Floating Rate Note Index returned 0.01% in March, recovering from a small loss in February. The Fund's credit exposures outperformed this Index in March and in each month of the calendar year to date.

The Fund's exposure to the Trilogy Monthly Income Trust continues to be a unique and enhancing feature from both a diversification perspective and a return attribution perspective. The Fund ended the month with a 35.3% allocation to the Trilogy Monthly Income Trust.

INVESTMENT PORTFOLIO



Please note, figures have been rounded to the nearest percent.

OUTLOOK

We continue to closely monitor monetary policy commentary regarding the rate cycle over the coming years as this will drive inflation-expectations and pricing of risk across debt instruments more broadly.

We expect to see a slight upward trend in major and non-major bank debt issuance over the coming quarters driven in part by the expiry of the Term Funding Facility (TFF). We remain confident in the allocation to the Trilogy Monthly Income Trust in the portfolio. We anticipate opportunities for positive out-performance within both the domestic credit and government bond markets and regular assess the expected return profiles within these markets to deliver the Fund's performance.

HISTORIC PERFORMANCE²

| 3 MONTHS | 1 YEAR | SINCE LAUNCH |
|----------|----------|--------------|
| 3.39% PA | 3.12% PA | 3.82% PA |

*Equivalent net distribution rate paid to investors for the month ended 31 March 2021. Past performance is not a reliable indicator of future performance. Variable rate.

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 28 July 2020 issued by Trilogy Funds Management Limited (Trilogy) ABN 59 080 383 679 AFSL 261425 and available from www.trilogyfunds.com.au. 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 in full. Investors may lose part or all of their capital or there may be periods where their returns are diminished. Investments in Trilogy's products are not bank deposits and are not government guaranteed. This information has been prepared for the use of licensed advisers only.

¹ The information contained in the Australia Ratings Analytics report and encapsulated in the investment rating is of a general nature only. The report and rating reflect the opinion of Australia Ratings Analytics 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.

² All distribution rates quoted are net of fees, costs and taxes and assume no reinvestment of distributions. Past performance is not a reliable indicator of future performance.