

# Milford Corporate Bond Plus Fund

## February 2026



### Portfolio Managers



**Anthony Ip**  
Portfolio Manager



**Paul Morris**  
Portfolio Manager

The Fund delivered a solid positive return of 0.7% in February, which was 0.1% ahead of the benchmark. Absolute performance was supported by lower global government bond yields (prices higher) as market expectations for further central bank easing increased.

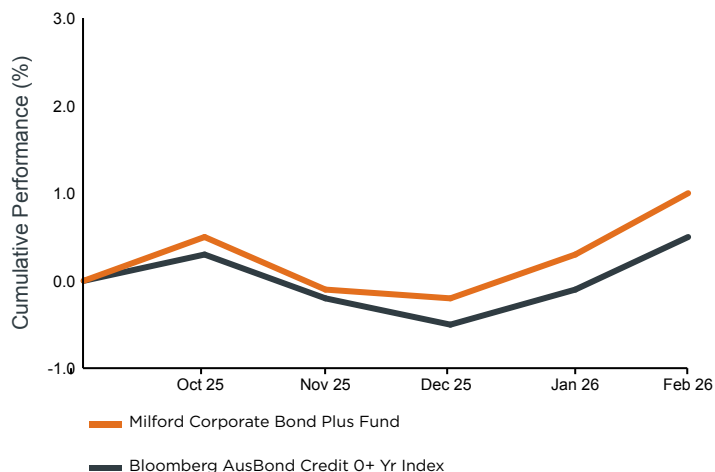
Credit spreads (the extra yield of corporate bonds over government bonds) trended wider during February, which was a headwind for the Fund's relative performance to the benchmark. Although Australian corporate fundamentals remain broadly resilient, wider global credit spreads in February reflected a degree of investor caution amid ongoing geopolitical tensions, elevated valuations, concerns over the health of the private credit sector and the potential negative impact of artificial intelligence on a range of corporate bond issuers.

The impact of the above was more than offset by the positive contribution of sector allocation and security selection, in particular the skew of the Fund's positioning to higher grade names such as government agencies and Australian states. Examples of investments in these sectors include CPPIB (Canadian Pension Board), DBS Bank (Singaporean bank), QTC (Queensland State Treasury) and Westpac – all at AU dollar yields of 5%+.

We remain cautious on Australian interest rate exposure, given continued strong economic data. However, the outright level of 10-year government bond yields in Australia looks attractive relative to cash rates and relative to similar maturity instruments in offshore markets such as the US. As a result, we continue to concentrate our AU dollar exposure in that maturity bucket, while remaining underweight shorter maturities.

Looking forward, we continue to reiterate a favourable medium-term return outlook through 2026. Albeit now lower, the income from bonds still provides a reasonable return versus post Global Financial Crisis history and versus cash. There are, however, myriad known risks, not least near-term the Middle East issues, and longer-term, the ramifications for many industries and the broader economy from AI. In combination, these risks make it currently prudent to have exposure tilted towards more defensive sectors.

### Cumulative Performance (after fees and expenses) 28 February 2026



Performance since inception and assumes reinvestment of distributions. Past performance is not a reliable indicator of future performance.

### Key Fund Facts

#### Objective

The Fund aims to provide regular income and generate a positive, low volatility return, that outperforms the Bloomberg AusBond Credit 0+ Yr Index over rolling three-year periods.

#### Description

Primarily invests in Australian dollar denominated securities from issuers in Australia and New Zealand. Derivatives may be used for efficient portfolio management and foreign currency hedging.

<b>Benchmark</b>	Bloomberg AusBond Credit 0+ Yr Index
<b>APIR</b>	ETL6715AU
<b>Redemption Price as at 28 Feb</b>	\$0.9993
<b>Fund Size*</b>	\$30.4 Million
<b>Inception Date</b>	September 2025
<b>Minimum Investment</b>	\$1,000
<b>Recommended Investment Timeframe</b>	3 years +
<b>Buy-sell Spread</b>	+/-0.10%
<b>Entry/Exit Fee</b>	Nil
<b>Management Fee</b>	0.52%
<b>Fund Pricing</b>	Daily
<b>Distribution Frequency</b>	Quarterly
<b>Yield to Maturity</b>	5.38%
<b>Running Yield</b>	4.9%
<b>Credit Duration</b>	3.8 years
<b>Interest Rate Duration</b>	3.2 years

\*The Fund Size represents the total assets of the fund.

## Milford Corporate Bond Plus Fund as at 28 February 2026

### Investment Performance to 28 February 2026

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since Inception
Milford Corporate Bond Plus Fund	0.72%	1.05%	-	-	-	0.99%
Bloomberg AusBond Credit 0+ Yr Index	0.64%	0.72%	-	-	-	0.50%
Excess Return	0.08%	0.33%	-	-	-	0.49%

Past performance is not a reliable indicator of future performance. Returns greater than one year are annualised.

### Top Security Holdings

Holdings	% of Fund
CPPIB Capital 4.75% 2031	8.95%
Crédit Mutuel 4.99% 2031	8.80%
DBS Bank 5.065% 2031	8.28%
NatWest 5.026% 2029	7.95%
GTA Finance 2.2% 2027	7.87%
BWP Trust 4.55% 2030	7.15%
Westpac 6.085% 2041	6.63%
Westpac 5.141% 2031	5.80%
Region Group 4.933% 2031	5.21%
GAIF 4.904% 2031	4.26%

### Current Asset Allocation

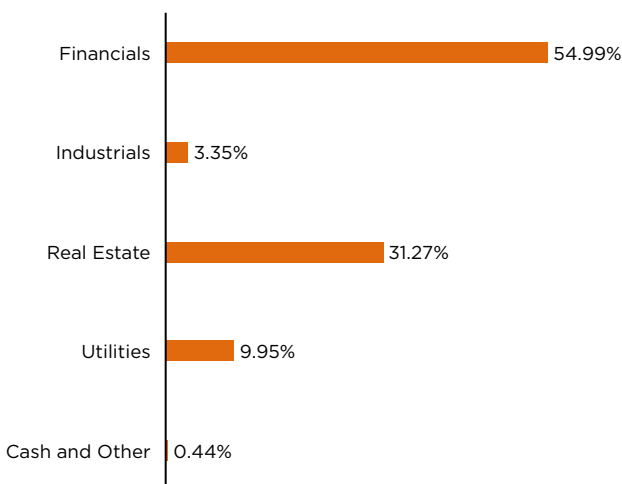
	Actual	Neutral	Maximum Range
Australian Fixed Interest	99.58%	95%	40-100%
Cash and Other	0.42%	5%	0-60%

### Credit Rating Band

	Actual
AAA	14.22%
AA	14.08%
A	48.10%
BBB	23.16%
Cash and Other	0.48%

Note: Fixed interest securities are reported in the following format: Issuer name, interest (coupon rate), maturity year.

### Sector Allocation



■ Milford Corporate Bond Plus Fund

### Fund Changes

There have been no material changes to the Fund's risk profile or strategy since the last monthly report. There have been no changes to the key service providers or individuals playing a key role in investment since the last monthly report.

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Milford Corporate Bond Plus Fund's Target Market Determination is available at <https://milfordasset.com.au/documents-and-forms>. The Target Market Determination is a document describing who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.