

Milford Corporate Bond Plus Fund

March 2026



Portfolio Managers



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Portfolio Manager



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Portfolio Manager

The sell-off in government and corporate bonds in reaction to the Middle East conflict has weighed on Fund returns. Even more than normal, near-term returns are likely to remain uncertain (both up and down) until there is resolution of the conflict. For medium-term returns however, we are more confident given the now more reasonable valuations in the bond market. The Fund returned -1.2% in March which was in line with the benchmark. Key headwinds to relative returns were the Fund's overweight positioning to AU dollar corporate bonds and market interest rates.

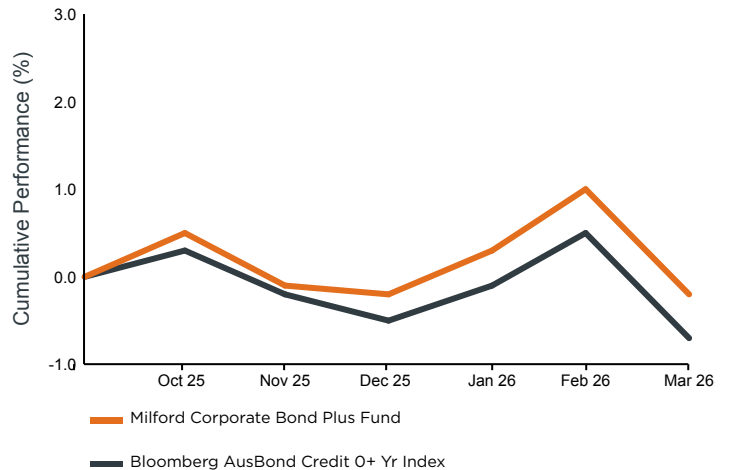
Fund returns were negatively impacted by a spike higher in market interest rates as expectations ramped that central banks will hike policy rates to combat higher inflation risks (due to higher energy prices). On average, credit spreads (the extra yield of corporate bonds over government bonds) widened 0.05% to 0.3% during the month which further weighed on corporate bond returns. For context, it was the weakest month for Australian corporate bonds since August 2022.

Notwithstanding the weak market backdrop, the Fund used volatility to deploy capital into opportunities which provided attractive risk-reward, recycling capital out of lower-risk positions which had sold off to a lesser extent. Examples of these opportunities included initiating a position in Queensland port Dalrymple Bay Infrastructure and Australian government owned broadband operator NBN. The Fund also made an investment in the Euro-denominated issuance from airport operator Melbourne Airport, which looks attractive relative to similar opportunities in the AU dollar market. These investments were funded by monetising gains in lower-risk positions that had outperformed such as in government and supranational bonds but where further outperformance may be limited.

Looking ahead, the reset lower in bond valuations offers an improved medium-term risk-reward outlook. Crisis resolution or stability is likely needed for market volatility to abate. However, whether it extends or is resolved, expectations for interest rate hikes (represented by high market interest rates) appear overdone in our view. This makes the returns from bonds attractive and will provide a strong underpinning for medium-term Fund returns.

Cumulative Performance (after fees and expenses)

31 March 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.
Benchmark	Bloomberg AusBond Credit 0+ Yr Index
APIR	ETL6715AU
Redemption Price as at 31 Mar	\$0.9877
Fund Size*	\$30.1 Million
Inception Date	September 2025
Minimum Investment	\$1,000
Recommended Investment Timeframe	3 years +
Buy-sell Spread	+/-0.10%
Entry/Exit Fee	Nil
Management Fee	0.52%
Fund Pricing	Daily
Distribution Frequency	Quarterly
Yield to Maturity	5.52%
Running Yield	4.92%
Credit Duration	3.76 years
Interest Rate Duration	3.3years

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

Milford Corporate Bond Plus Fund as at 31 March 2026

Investment Performance to 31 March 2026

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since Inception
Milford Corporate Bond Plus Fund	-1.16%	0.06%	-	-	-	-0.18%
Bloomberg AusBond Credit 0+ Yr Index	-1.15%	-0.20%	-	-	-	-0.66%
Excess Return	-0.01%	0.26%	-	-	-	0.48%

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	8.92%
Crédit Mutuel 4.99% 2031	8.76%
DBS Bank 5.065% 2031	8.24%
NatWest 5.026% 2029	7.96%
GTA Finance 2.2% 2027	7.94%
Westpac 6.085% 2041	6.52%
Westpac 5.141% 2031	5.77%
Region Group 4.933% 2031	5.17%
GAIF 4.904% 2031	4.23%
Scentre Group Float 2054	3.41%

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

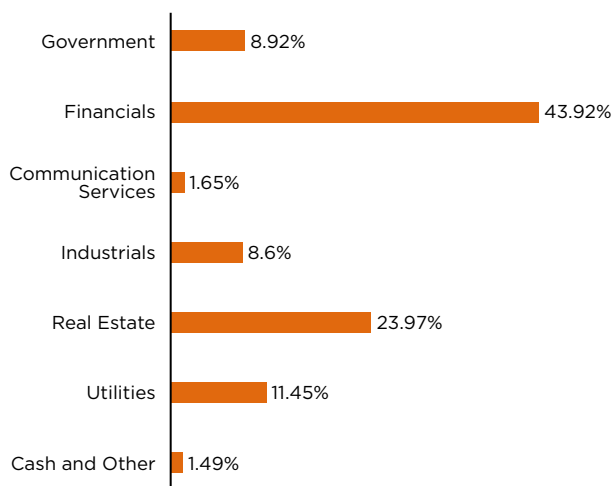
Current Asset Allocation

	Actual	Neutral	Maximum Range
Australian Fixed Interest	95.82%	95%	40-100%
Cash and Other	4.18%	5%	0-60%

Credit Rating Band

	Actual
AAA	12.25%
AA	15.66%
A	40.60%
BBB	30.04%
Cash and Other	1.45%

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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