OCTOBER 2025

BARINGS LIQUIDITY INVESTMENT STRATEGY

ARSN 677 446 034

BARINGS

INVESTMENT OBJECTIVE AND STRATEGY

The investment objective of Barings Liquidity Investment Strategy ('BLIS') is to generate floating rate investment returns that exceed the RBA Overnight Cash Rate plus 1.50% to 2.00% (net of fees and costs) over rolling 12-month periods. BLIS is designed for investors seeking a strategy with a focus on capital preservation, above cash returns and an ability to actively manage their liquidity allocation.

Capital Stability[1]	Liquidity Management	Higher Income Potential
An actively managed portfolio of highly-rated, floating-rate, securitised assets, which have shown capital stability historically.	Aims to provide unitholders with quick access to their capital, with withdrawal proceeds generally available within five business days.	Aims to distribute quarterly income above the potential returns available on traditional cash products.[2]

FUND PERFORMANCE

LATEST RETURN[3] (%)

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	Incept[6]
Gross return (before fees)	0.44	1.48	3.61	6.57		6.78
Net return (after fees)[4]	0.39	1.33	3.33	5.96		6.12
Excess Return (after fees)[5]	0.09	0.41	1.41	1.87		1.96

Financial Yr	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
2025–26	0.80	0.46	0.48	0.39									2.14
2024–25		0.34[7]	0.36	0.70	0.45	0.54	0.46	0.60	0.51	(0.04)	0.63	0.53	5.19

Past performance is not an indicator of future performance. The value of an investment and its return may rise and fall with changes in the market.

[1]Return of capital and target return are not guaranteed. The investment objective is not a forecast, it is only an indication of what the investment strategy of BLIS aims to achieve. It may not be achieved.

[2]BLIS aims to distribute quarterly income. Distributions are not guaranteed and may be subject to the Responsible Entity's discretion. Positive distributions may not represent a positive return.

[3]1 mth, 3 mth, 6mth returns as of 31 August 2025. 1yr and since inception returns as of 16 August 2025.

[4]Net return (after fees) is calculated using pre-distribution month end withdrawal unit prices and assumes distribution reinvestment.

[5]Arithmetic spread to RBA Cash Rate.

[6]Inception date is 16 August 2024.

[7]Partial month, from 16 to 31 August.

[8]Estimated based on the Fund having a gross asset value attributable to the Units of A$200 million.

[9]Average Credit Rating (ACR) is calculated by assigning sequential integers to all credit ratings AAA to Not Rated, with cash treated as AAA, and taking a weighted average by market value. The result is rounded to the nearest rating. ACR is a descriptive measure and does not indicate portfolio default risk.

[10]Running yield is the weighted average coupon income of the portfolio (including cash) relative to clean market prices as at the report date. Running yield only reflects the fund's coupon income and does not take into account capital gains/losses on receipt of principal.

[11]Discount margin is the weighted average expected return of the portfolio (including cash) above the reference rate (1-month BBSW) as at the report date.

[12]Wtd Avg Curr LVR refers to the weighted average current loan to value ratio (LVR). It is the ratio of the current loan balance to the property valuation for residential mortgage in the RMBS portfolio, weighted first by loan balance and then by the fund's investment in each bond.

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ABOUT THE MANAGER†

Gryphon Capital Investments ("Gryphon"), is a wholly owned subsidiary of Barings, one of the world's leading asset managers, managing over USD$470+ Billion AUM, with more than 1,400 external clients and 2,000+ professionals globally. Gryphon is a vertical investment team of Barings' global Asset-Based Finance (ABF) team that specialises in residential, commercial and consumer asset-backed securities.

Gryphon is a leading participant in the Australian securitisation market, investing across the capital structure from AAA to below investment grade in both public term transactions, private warehouses and whole loans, demonstrating deep expertise and active portfolio management.

† as at 30 September 2025

SNAPSHOT

Asset	Fixed Income, floating rate
NAV	A$445.1m
Unit Price	A$1.020
Management Fees and Costs[8]	0.58%
Performance Fee	None
Distributions	Quarterly
Unit Pricing	Daily

CHARACTERISTICS

Average Credit Rating[9]	AAA
Running Yield[10]	5.16%
Discount Margin[11]	1.38%
RBA Cash Rate	3.60% pa
Interest Rate Duration	0.04 years
Credit Spread Duration	1.86 years
RMBS / ABS Exposure	60% / 22%

UNDERLYING MORTGAGE STATISTICS

Num Underlying Loans	60,948
Wtd Avg Loan Balance	A$478,339
Wtd Avg Curr LVR[12]	65%
Wtd Avg Seasoning	28 months
Wtd Avg Interest Rate	6.56%
Loans 90+ Days in Arrears	0.78%

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BARINGS

COMMENTARY

PERFORMANCE

The fund returned 39 bps after fees in October, maintaining an annualised return since inception of 6.12%, and providing a 1.96% excess return over the RBA benchmark for the same period. The fund is poised to continue its strong performance in November with a running yield of 5.16%, while a credit spread duration of 1.86 years (down from 2.34 years last month) provides strong defence against any risk-aversive widening of credit spreads.

LIQUIDITY CONDITIONS

The Australian RMBS/ABS market printed close to $11bn of new deals in October, not far off the $13bn of new issuance in September. After a slower start to the year, total issuance for 2025 is likely to be close to the record of 2024. In fact, ABS and non-ADI RMBS issuance seems likely to exceed last year, with the relative lack of bank issuance the only reason for the shortfall. Banks have focused on the unsecured debt markets this year, which have provided them with a cheaper source of funds, the flip side to the RMBS relative value argument we often make in this commentary.

The secondary market remains strong, trading rich to primary, with trading of bonds via BWIC (Bids Wanted In Competition) becoming more frequent.

TRADING ACTIVITY

While there has certainly been no shortage of deals in the Australian RMBS market recently, no two deals are the same, and not all necessarily offer sufficient value for the required risk. BLIS is managed by specialist RMBS managers who analyse the collateral securing each deal, along with the returns on offer, to determine which deals offer superior risk-adjusted returns. Based on this analysis, we participated in two strong deals this month, as well as taking profit from several deals in which we invested earlier in the year. All up, we turned over 40% of the portfolio, demonstrating both our active approach to trading and underlying liquidity of the Australian RMBS market. Several other deals also caught our initial interest, but the continuing tightening of margins ultimately offered too little return for the underlying risk.

RV METRICS

Margins on both RMBS and related asset classes continue to be extraordinarily tight this month. Notwithstanding this, there appears to be increasing reluctance for the market to go any tighter. Coverage levels on some deals have also started to look a little patchy, further evidence that investors are increasingly wary of committing at current pricing levels. AA RMBS, with an end-of-month margin around 135 bps[1], continues to provide superior relative value compared to senior unsecured bank debt at around 70 bps[2], while the 150 bps on offer for A-rated RMBS tranches[3] is also superior to Tier 2 debt, currently offering around 130 bps[4].

CREDIT QUALITY

This month saw the fund's sector allocation tilt more towards ABS, reducing the overall RMBS exposure. With lower RMBS exposure, the number of residential mortgages across the fund's collateral fell from 70k to 61k. Critically, however, the important risk statistics of LVR (66% to 65%) and loan seasoning (26 months to 28 months) were both largely unchanged.

Fund 90+ arrears rose slightly from 71 bps to 78 bps but were still well below the S&P average for a similar portfolio of 1.18%[5]. Recent economic releases have seemingly reduced the potential for further near-term RBA rate cuts, but benign portfolio arrears, coupled with low average LVR, leave us confident in the credit quality of the portfolio.

[1] RMBS Issuance THINKR 2025-4
[2] ANZ 5 Nov 2025
[3] RMBS Issuance THINKR 2025-4
[4] ANZ 5 Nov 2025
[5] S&P Oct 2025 for data Aug 2025

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PARTIES

Responsible Entity
One Managed Investment Funds Limited
ACN 117 400 987 AFSL 297 042

Manager
Barings Australia Pty Ltd
ACN 140 045 656 AFSL 342 787

Sub-Advisor
Gryphon Capital Investments Pty Ltd
ACN 167 850 535 AFSL 454 552

Registry
One Registry Services Pty Ltd
ACN 141 757 360

AVAILABLE PLATFORMS INCLUDE

AMP North
Ausmaq/Clearstream
BT Panorama
CFS Edge
HUB24
Macquarie Wrap
Mason Stevens
Netwealth
Praemium

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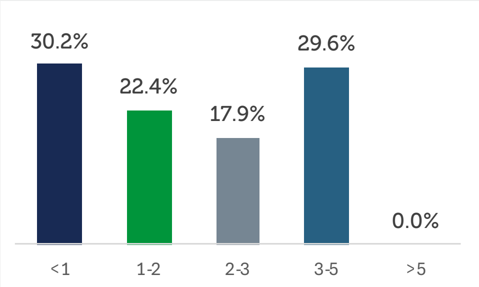
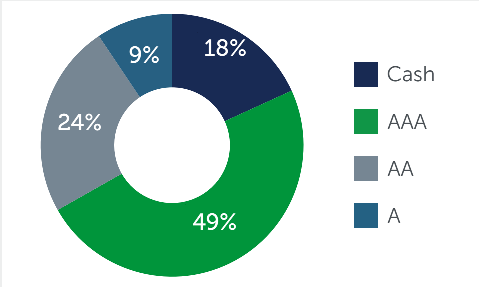
PORTFOLIO CONSTRUCTION

CREDIT SPREAD DURATION



RATING BREAKDOWN



Weighted Average Life	Cash	AAA	AA	A	Total
0-1 Year	18.2%	1.1%	5.0%	5.8%	30.2%
1-2 Years	–	14.0%	4.8%	3.6%	22.4%
2-3 Years	–	17.9%	–	–	17.9%
3-5 Years	–	15.6%	14.0%	–	29.6%
>5 Years	–	–	–	–	–
Total	18.2%	48.6%	23.8%	9.4%	100.0%

Note: Numbers may not add up due to rounding

DISTRIBUTIONS HISTORY

DISTRIBUTIONS (%)

Financial Yr	Sep	Dec	Mar	Jun	YTD
2025–26	1.39				1.39
2024–25	0.73	1.50	1.52	1.37	5.21

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