

**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 <sup>1</sup>	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. <sup>2</sup>

**FUND PERFORMANCE**

**LATEST RETURN (%)**

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	Incept <sup>5</sup>
Gross return (before fees)	0.45	1.31	2.81	6.24		6.52
Net return (after fees) <sup>3</sup>	0.41	1.16	2.51	5.65		5.87
Excess Return (after fees) <sup>4</sup>	0.10	0.25	0.67	1.76		1.80

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	0.37	0.38	0.41						3.33
2024-25		0.34 <sup>6</sup>	0.36	0.70	0.45	0.54	0.46	0.60	0.51	(0.04)	0.63	0.53	5.19

**DISTRIBUTIONS HISTORY**

**DISTRIBUTIONS (%)**

Financial Yr	Sep	Dec	Mar	Jun	YTD
2025-26	1.39	1.23			2.65
2024-25	0.73	1.50	1.52	1.37	5.21

**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.

<sup>1</sup>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.

<sup>2</sup>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.

<sup>3</sup>Net return (after fees) is calculated using pre-distribution month end withdrawal unit prices and assumes distribution reinvestment.

<sup>4</sup>Arithmetic spread to RBA Cash Rate.

<sup>5</sup>Inception date is 16 August 2024.

<sup>6</sup>Partial month, from 16 to 31 August.

<sup>7</sup>Refer to section 6 of the PDS.

<sup>8</sup>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.

<sup>9</sup>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.

<sup>10</sup>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.

<sup>11</sup>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.

**ABOUT THE MANAGER<sup>†</sup>**

Gryphon Capital Investments ("Gryphon"), is a wholly owned subsidiary of Barings, one of the world's leading asset managers, managing over USD\$481+ 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.

<sup>†</sup> as at 31 December 2025

**SNAPSHOT**

APIR	OMF6430AU
Asset	Fixed Income, floating rate
NAV	A\$519.9m
Unit Price	A\$1.020
Management Fees and Costs <sup>7</sup>	0.58%
Performance Fee	None
Distributions	Quarterly
Unit Pricing	Daily

**CHARACTERISTICS**

Average Credit Rating <sup>8</sup>	AAA
Running Yield <sup>9</sup>	5.55%
Discount Margin <sup>10</sup>	1.66%
RBA Cash Rate	3.60% pa
Interest Rate Duration	0.04 years
Credit Spread Duration	2.00 years
RMBS / ABS Exposure	68% / 30%

**FURTHER INFORMATION AND ENQUIRIES**

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## COMMENTARY

### PERFORMANCE

BLIS started the year off with a monthly net return of 41 bps, for an annualised net return since inception of 5.87%. BLIS maintains a solid 1.80% annualised net excess return since inception. Running yield has ticked up 17 bps from last month to 5.55% and will continue to increase following the RBA rate decision in early February, a consequence of the floating-rate nature of RMBS investments.

### LIQUIDITY CONDITIONS

The Australian RMBS market understandably quietened over the Christmas period but roared back into life in January with Westpac pricing a A\$2bn deal prior to Australia day. There were five public deals in the market at the end of January, with at least several more opportunities being negotiated amongst select investors.

Secondary markets also remain active, with dealers busy selling inventory in early January<sup>1</sup> as the primary markets cooled their heels. Margins are largely unchanged from last year, with indications so far that deals will both continue to be well oversubscribed, and price inside initial expectations. All this supports the notion that RMBS remains in demand and constitutes the most liquid part of the Australian credit market.

### TRADING ACTIVITY

With dealer desks the only source of liquidity in the first half of January, we put cash to work in two seasoned deals that paired good value with good performance. Buying in secondary generally prices tighter than primary markets, but this is compensated for by both shorter WAL and a history of observable collateral performance.

As the end of the month approached, we pivoted to the primary market, focusing on higher yielding opportunities outside the traditional public markets with our established issuers. These transactions both offer higher margins in the short-term, compared to broadly available public deals, while also strengthening long-term relationships with these issuers who originate the loans BLIS invests in.

### RV METRICS

While RMBS margins have remained largely unchanged from the end of 2025, further tightening in bank debt margins, particularly Tier 2 bank debt, has further strengthened the argument for superior relative value in RMBS. While 4-year, AA-rated RMBS provides a margin of 130<sup>2</sup> in public markets (with additional margin available in more closely held deals), 5-year senior unsecured bank, with additional spread risk, is limited to a margin of 68 bps<sup>3</sup>.

The relative value between 4-year, A-rated RMBS and 5-year Tier 2 bank debt has improved even more. Tier 2 has tightened from 126 bps, prior to Christmas, to 112 bps<sup>3</sup>. Given that A-rated RMBS has remained stable around 150 bps<sup>2</sup>, the margin to RMBS has improved a further 14 bps. Indeed, even AAA-rated RMBS, at 110 bps<sup>2</sup>, is competitive with Tier 2 bank debt at current levels.

### CREDIT QUALITY

90+ arrears on prime residential collateral was steady at 92 bps while arrears on more volatile non-conforming collateral increased to 1.29%. This is a typical outcome over the Christmas/New Year holiday period as borrower discipline becomes stretched. Our prime collateral arrears were above the S&P 90+ level of 39 bps<sup>4</sup> (which has a considerable weight to major bank collateral but also lags by a month and is yet to reflect any Christmas bump), while our non-conforming collateral performed better than the corresponding S&P level of 1.62%<sup>4</sup>.

Other measures of collateral quality remained stable over the month, with LVR and average loan size decreasing slightly, while seasoning, excess spread, and credit enhancement numbers all increasing. This points to the excellent credit quality underlying the portfolio. We will be watching arrears and other credit measures closely as the impacts of increased interest rates flow through to mortgage holders, but with rates still below the levels of mid-2023 to mid-2025, any significant impact seems unlikely in the near-term.

<sup>1</sup> Gryphon

<sup>2</sup> La Trobe 2026-1

<sup>3</sup> Barrenjoey 9/2/2026

<sup>4</sup> S&P Jan 26 for data Nov 25

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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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### John Nicoll

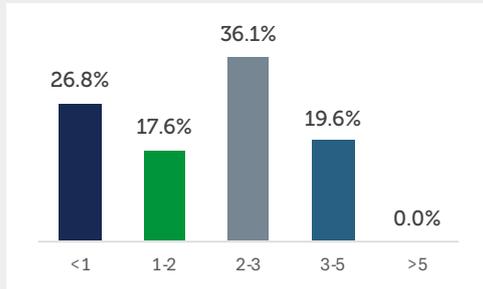
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### Zoe Cowley

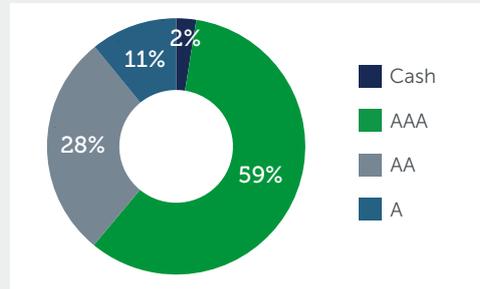
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PORTFOLIO CONSTRUCTION

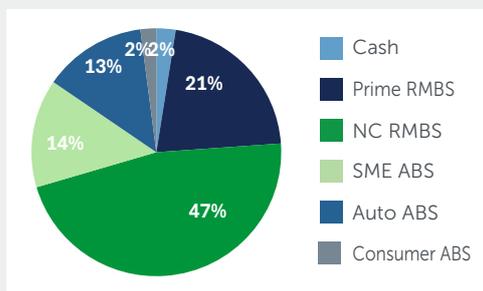
CREDIT SPREAD DURATION



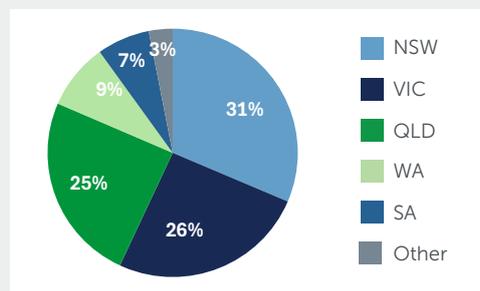
RATING BREAKDOWN



SECTOR ALLOCATIONS



GEOGRAPHIC DISTRIBUTION



CREDIT SPREAD DURATION x RATINGS BREAKDOWN

Weighted Average Life	Cash	AAA	AA	A	Total
0-1 Year	2.5%	5.7%	8.6%	10.0%	26.8%
1-2 Years	-	14.6%	2.1%	0.9%	17.6%
2-3 Years	-	30.7%	5.4%	-	36.1%
3-5 Years	-	7.5%	12.0%	-	19.6%
>5 Years	-	-	-	-	-
<b>Total</b>	<b>2.5%</b>	<b>58.5%</b>	<b>28.2%</b>	<b>10.8%</b>	<b>100.0%</b>

Note: Numbers may not add up due to rounding

SECTOR x RATINGS BREAKDOWN

Sector	Cash	AAA	AA	A	Total
Cash	2.5%	-	-	-	2.5%
RMBS	-	39.9%	18.9%	9.2%	67.9%
ABS	-	18.6%	9.3%	1.6%	29.6%
<b>Total</b>	<b>2.5%</b>	<b>58.5%</b>	<b>28.2%</b>	<b>10.8%</b>	<b>100.0%</b>

SECTOR x CREDIT SPREAD DURATION BREAKDOWN

Sector	0-1 Year	1-2 Years	2-3 Years	3-5 Years	>5 Years	Total
Cash	2.5%	-	-	-	-	2.5%
RMBS	21.9%	11.4%	21.2%	13.4%	-	67.9%
ABS	2.4%	6.2%	14.9%	6.1%	-	29.6%
<b>Total</b>	<b>26.8%</b>	<b>17.6%</b>	<b>36.1%</b>	<b>19.6%</b>	<b>-</b>	<b>100.0%</b>

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- CFS Edge
- HUB24
- Macquarie Wrap
- Mason Stevens
- Netwealth
- Praemium

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COLLATERAL SUMMARY

	Total RMBS & SME	Prime RMBS	NC RMBS	ABS SME
Portfolio Allocation	82%	21%	47%	14%
<b>Collateral</b>				
No. of Underlying Loans	66,824	40,188	19,614	7,022
Max % of Loans in Single Postcode	1.52%	1.23%	1.64%	1.57%
Weighted Average Underlying Loan Balance	\$531,618	\$363,021	\$621,126	\$491,787
% Loans > \$1.5m Balance	12.76%	4.40%	15.03%	17.90%
Weighted Average Interest Rate	6.80%	6.28%	6.76%	7.73%
Weighted Average Seasoning	25 months	38 months	17 months	33 months
Weighted Average Loan Term	29 years	30 years	30 years	28 years
<b>Key Bondholder Protections</b>				
Weighted Average LVR	60%	55%	62%	59%
Weighted Average Excess Spread	1.09%	1.02%	1.01%	1.48%
Weighted Average Credit Enhancement	12.93%	7.08%	13.36%	20.37%
<b>Performance</b>				
90+ Days in Arrears as % of Loans	1.03%	0.92%	1.29%	0.33%

DEFINITIONS

ASSET SECTORS

<b>Prime RMBS</b>	Secured by a diversified pool of first-ranking mortgage loans to prime borrowers backed by residential properties.
<b>Non-Conforming RMBS (NC RMBS)</b>	Secured by a diversified pool of first-ranking mortgage loans backed by residential properties made to borrowers that would not typically qualify for a Prime loan. Borrowers may not qualify as they are self-employed, seeking a large loan size, don't have required proof of income, or have a few dents in their credit records.
<b>ABS SME</b>	Secured by a diversified pool of first-ranking mortgage loans to self-managed superannuation, companies or individual borrowers, backed by small ticket commercial or residential properties.
<b>ABS Auto</b>	Secured by a diversified pool of first-ranking Australian automotive lease and loan receivables.
<b>ABS Consumer</b>	Secured by a diversified pool of unsecured and secured personal loans extended to borrowers located in Australia.

METRICS

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**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.

**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.

**Excess Spread** is the net interest margin, the difference between the interest paid by mortgage holders and the interest owed to bondholders, the first buffer for any losses in case of mortgage default.

**Credit Enhancement** is the proportion of each deal in bonds subordinate to the security held by BLIS, and hence the degree of loss required (beyond excess spread) for BLIS to suffer capital loss.

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