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MILLBROOK GROUP RESPONSE TO ASIC REP 846

A summary of ASIC's findings, examples of why they matter, and the reporting and governance measures Millbrook already has in place.

18 November 2026

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ASIC REP 846 | Report summary and examples

We welcome ASIC's focus on transparency, governance and investor outcomes. Millbrook already has measures in place relevant to the report's themes, including quarterly pooled-fund reporting, independent compliance oversight and a prohibition on related-party lending.

What ASIC found

Released on 10 November 2026, REP 846 examines fund structures, conflicts, fee transparency and distribution. ASIC reviewed 24 retail and wholesale private credit funds and a sample of financial advice between November 2025 and August 2026. It found continuing weaknesses in how some funds explained their investments, fees and related-party arrangements, and how products were marketed and distributed. [1, 2]

Examples and why they matter

These examples are from ASIC's sector review. They are not presented as findings about Millbrook. [1, 2]

ASIC focus area	Example from the review	Why it matters to investors
Fund structures and conflicts	Complex structures and related-party arrangements obscured fees and competing interests.	Investors need to understand where their capital goes and who makes decisions affecting it.
Fees and retained benefits	Only two of the 22 funds included in ASIC's fee analysis passed on the full benefits of borrower interest and fees.	Retaining fees is not itself the issue. Investors need to understand what the manager and related parties receive.
Disclosure and liquidity	Nine of 12 retail funds did not clearly explain key investment information. Some marketing suggested immediate access to money despite withdrawal restrictions.	Clear disclosure helps investors assess investment risk and when their capital may be available.
Advice and concentration	Most advice reviewed demonstrated compliance. Greater concentration in a single private credit fund was associated with less evidence of best interests compliance.	Portfolio fit and liquidity needs matter alongside yield.

ASIC's central message is that investors need enough information to understand the risks and financial arrangements behind an advertised return.

Millbrook's response | Measures already in place

What Millbrook already has in place

Our response builds on existing practices described in our published materials. These measures address important themes raised by ASIC. [3, 4]

- **Detailed quarterly reporting**
  Quarterly portfolio reporting across our pooled funds gives investors and advisers regular insight into fund performance and underlying exposures.

- **Independent oversight and audits**
  Our board is majority independent and our governance framework includes an independent compliance committee, internal reporting and controls, and regular independent financial and compliance plan audits. We have also implemented a Valuation Committee and a Portfolio and Liquidity Committee with independent members on both.

- **A prohibition on related-party lending**
  Millbrook prohibits related-party lending across its funds. Identifying and managing other conflicts remains part of responsible fund management.

- **Regular document and policy reviews**
  We regularly review offer documents, policies and procedures against evolving ASIC guidance and industry standards.

- **Access to product information**
  We provide quarterly insights, fact sheets and portfolio reports to keep investors informed. All fees are disclosed in our Product Disclosure Statement (PDS) and other disclosure documents. For the Millbrook Credit Fund, our website also provides ASIC benchmark disclosures, the Target Market Determination and annual reporting.

Our commitment to investors and advisers

We value the trust you place in Millbrook. We aim to earn it through responsible management, clear communication and a willingness to answer questions about our funds, fees, risks and governance. Maintaining strong standards requires continuing attention as our funds and regulatory expectations evolve.

Private credit carries risk. Mortgage security does not guarantee repayment, and capital and returns are not guaranteed. Consider potential losses, withdrawal terms and liquidity restrictions, together with your objectives and overall portfolio. Read the relevant offer documents and seek financial advice appropriate to your circumstances.

To discuss the report or our approach, contact the Millbrook team on **(03) 8663 1800** or **info@millbrookgroup.com.au**.

FURTHER READING

[1] ASIC REP 846, 10 November 2026

[2] ASIC summary of its findings, 10 November 2026

[3] Millbrook on risk, regulation and governance, 31 July 2026

[4] Millbrook Diversified product information

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Important information

This document provides general information only. It does not constitute financial product advice or a recommendation and does not take account of your individual objectives, financial situation or needs.

Before making an investment decision, read the relevant Product Disclosure Statement or other offer document and consider seeking independent financial advice.

All investments carry risks, including possible loss of capital and income. Capital and returns are not guaranteed. Past performance is not a reliable indicator of future performance.

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