

Global Corporate Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 March 2025



Portfolio Managers



Anthony Ip
Portfolio Manager



Ian Robertson
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Paul Morris
Co-Portfolio Manager

The Fund fell 0.4% in March, which was slightly ahead of the benchmark. March saw an escalation in the global trade war, which kept market volatility elevated. Global growth expectations were reduced, while near term inflation risks increased. This “stagflationary” combination may limit the extent central banks can cut interest rates to offset any growth slowdown. This combination drove a poor month for absolute returns, as credit spreads (the extra yield of corporate bonds over government bonds) widened in response to macroeconomic uncertainty.

The Fund was underweight credit exposure versus the benchmark, which helped to cushion returns during the month and drive outperformance versus benchmark. The Fund maintains an overweight to high quality national champion banks, such as the large US money-centre banks (JP Morgan and Morgan Stanley) and UBS Group. UBS’s senior unsecured bonds have outperformed on growing expectations that the bank will significantly increase equity capital to meet regulatory requirements.

During the month, the Fund added to its positions in high quality issuers such as Amcor (packaging) and Dell (technology products), while trimming exposure to more cyclical names such as Pacific National (rail). The Fund’s positions in high yield, corporate hybrids and bank subordinated debt were a headwind to returns as higher volatility investments underperformed in the weaker market backdrop.

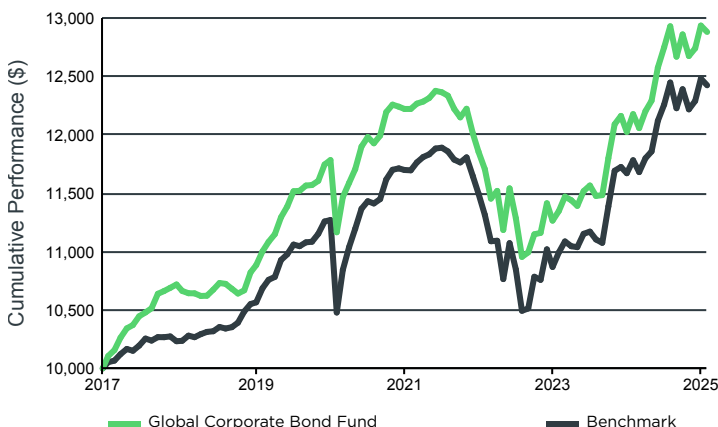
Looking ahead, the attractive interest rate backdrop supports medium term Fund returns. The Fund’s market interest rate exposure remains moderately below neutral. Credit quality in our corporate bonds should be resilient to any growth slowdown. The Fund maintains a cautious credit positioning relative to the benchmark and will remain patient in increasing exposure given global growth and policy uncertainties.

To view Milford’s March 2025 Market and Economic Review please see milfordasset.com/insights.

For previous fund reports see milfordasset.com/fund-reports.

Cumulative Fund Performance

(after fees and before tax)



Assumes the growth of \$10,000 invested at the Fund’s inception date, and assumes reinvestment of distribution.

Key Fund Facts

Objective¹

To protect capital and generate a positive NZD hedged return that exceeds the relevant benchmark over the minimum recommended investment timeframe.

Description

Primarily invests in global corporate fixed interest securities

Minimum recommended investment timeframe	3 years +
Target Allocation	100% Income Assets / 0% Growth Assets
Neutral FX Exposure	0%
Net Asset Value (NAV)	\$437.6 M
Yield²	3.80%
Average Credit Rating	BBB+
Duration	5.67 years
Rating Categories	Inv.Grade 88% / High Yield 10%
Inception Date	1 February 2017
Current Distribution	0.85 cents per unit (Quarterly)
Benchmark	Bloomberg Global Aggregate Corporate Total Return Index (100% NZD-hedged)
Base Fund Fee³	0.85%
Performance Fee	Not applicable
Total Fund Fees⁴	0.85%

	Lower risk				Higher risk		
Risk Indicator	1	2	3	4	5	6	7
	Potentially lower returns				Potentially higher returns		

Global Corporate Bond Fund as at 31 March 2025

Investment Performance after fees as at 31 March 2025⁵

Unit Price: \$1.0507

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Global Corporate Bond Fund (Gross Of Tax)	-0.42%	1.62%	5.77%	3.24%	2.90%	3.15%
After Tax 10.50%	-0.38%	1.43%	5.15%	2.90%	2.60%	2.82%
After Tax 17.50%	-0.35%	1.30%	4.74%	2.68%	2.40%	2.60%
After Tax 28.00%	-0.31%	1.11%	4.12%	2.35%	2.09%	2.27%
Benchmark	-0.46%	1.68%	5.44%	3.16%	3.46%	2.69%

Top Fixed Interest Holdings

Holdings	% of Fund
Intercontinental Exchange 5.25% 2031	4.21%
T-Mobile 2.55% 2031	3.21%
Broadcom 5.2% 2032	2.90%
BNZ 5.698% 2035	2.89%
Mastercard 4.35% 2032	2.80%
UBS 4.194% 2031	2.39%
Aroundtown 4.8% 2029	2.32%
Goodman US 5.125% 2034	2.25%
Morgan Stanley 5.23% 2031	2.07%
Smurfit Kappa 5.2% 2030	2.07%
Citigroup 5.592% 2034	2.07%
BHP 5% 2030	2.06%
Westpac 5.618% 2035	2.05%
APA Infrastructure 5% 2035	1.95%
American Tower 3.8% 2029	1.95%
Haleon Us Capital Llc 3.625% 2032	1.86%
NBS 3.828% 2032	1.80%
NAB 5.181% 2034	1.68%
Agco 5.8% 2034	1.64%
NXP BV 4.3% 2029	1.60%

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

Current Asset Allocation

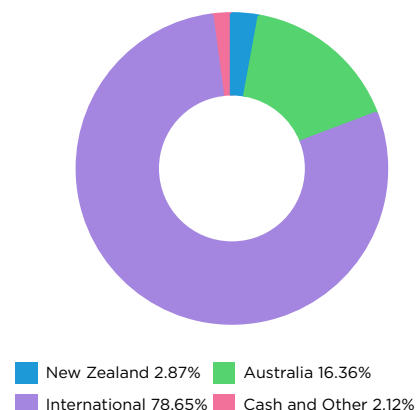
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	2.12%	5%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	97.88%	95.0%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

The actual cash held by the Fund is 1.03%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Sector Allocation

Allocation	Weight %
Financials	34.86%
Communication Services	12.69%
Materials	9.15%
Real Estate	7.50%
Information Technology	7.39%
Industrials	7.27%
Health Care	5.14%
Utilities	5.05%
Other Sectors	8.83%
Cash and Other	2.12%

Region Exposure



1. After the Base Fund Fee but before tax. 2. The yield to maturity is not an indicator of future return, but reflects the current yield to maturity of the fund's underlying holdings (before tax and after the base fund fee). 3. Where applicable, the Base Fund Fee includes an estimate of non-related underlying fund charges. 4. The Total Fund Fees comprise the Base Fund Fee and any estimated Performance Fee. Please refer to the Product Disclosure Statement for more information as to how these are calculated. 5. Includes the reinvestment of distributions. Returns prior to 1 March 2018 are from when the Fund was previously offered to wholesale investors only and have been adjusted for the current Total Fund Fees. Please note past performance is not a guarantee of future returns.

Please refer to the 'Glossary for the Monthly Fact Sheet' at milfordasset.com/fact-sheet for more information about the data published within this document.

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