

Global Corporate Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 October 2024



Portfolio Managers



Anthony Ip
Portfolio Manager



Ian Robertson
Co-Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned -2.0% in October, marginally behind the benchmark return -1.8%. The rise in market bond yields during October was a headwind to absolute returns. However, on the positive side it has reset corporate bond yields to higher levels, which support the Fund's medium term return outlook. In the past three months, the Fund has returned 0.7%, slightly behind the benchmark return 0.9%.

Market bond yields rebounded higher in late September/October, abruptly reversing course after a sustained grind lower for much of 2024. This rebound was driven by stronger data in key economies such as the US and risks around the US election. From here, our positioning is largely neutral in interest rate exposure – there are risks to market yields from upcoming risk events, but our view is that a lot of this is priced in.

Credit spreads (the extra yield of corporate bonds over government bonds) ground tighter for much of October. Overall, this was a headwind to returns as the Fund is positioned underweight to corporate bonds. However, within this, EUR-denominated corporate bonds outperformed US dollar corporate bonds (a reversal of last month's relative performance), which was a tailwind for the Fund's returns given its overweight exposure to the former. We used the rally to reduce corporate credit exposure into month end and to fund some new investments in the Fund, including Goodman Group in US dollars (Australian industrial REIT, at NZ hedged yields of 5.9%), Waste Management (a US-based rubbish/recycling business, 5.5%) and EnBW (a state-owned German utility, 6.0%).

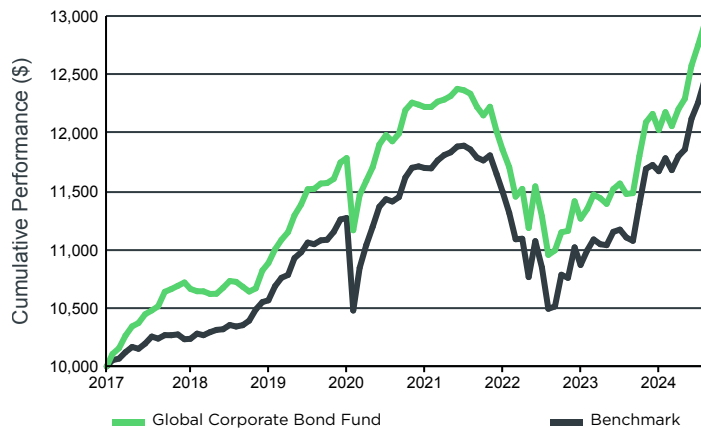
Looking ahead, moderating inflation, slower growth, but no material recession should support corporate bond returns. We reiterate our expectations for attractive, medium-term Fund returns.

To view Milford's October 2024 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)	\$324.3 M
Yield²	4.82%
Average Credit Rating	BBB
Duration	6.11 years
Rating Categories	Inv.Grade 81% / High Yield 12% / Unrated 2%
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%



Global Corporate Bond Fund as at 31 October 2024

Investment Performance after fees as at 31 October 2024⁵

Unit Price: \$1.0502

	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)	-2.02%	0.74%	10.32%	1.20%	1.84%	3.10%
After Tax 10.50%	-1.83%	0.66%	9.17%	1.08%	1.65%	2.77%
After Tax 17.50%	-1.70%	0.60%	8.42%	1.00%	1.52%	2.56%
After Tax 28.00%	-1.51%	0.51%	7.29%	0.87%	1.34%	2.23%
Benchmark	-1.77%	0.89%	10.40%	1.23%	1.99%	2.63%

Top Fixed Interest Holdings

Holdings	% of Fund
Goodman US 5.125% 2034	2.80%
Vodafone 3.00% 2080	2.78%
Smurfit Kappa 5.2% 2030	2.66%
Asciano 4.75% 2028	2.50%
American Tower 3.8% 2029	2.49%
CNH Industrial 3.75% 2031	2.30%
NBS 3.828% 2032	2.30%
NAB 5.181% 2034	2.15%
British Telecommunications 8.375% 2083	2.06%
NXP BV 4.3% 2029	2.05%
Barclays 7.385% 2028	2.00%
TSB 6.625% 2029	1.90%
CRH 5.2% 2029	1.88%
KBC Group 4.25% 2029	1.82%
Lloyds Bank 4.75% 2031	1.80%
Experian Finance 4.25% 2029	1.79%
McDonald's 3.875% 2031	1.79%
Vertical Midco 4.375% 2027	1.70%
Fiserv 6% 2033	1.61%
ANZ 5.898% 2034	1.61%

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

Current Asset Allocation

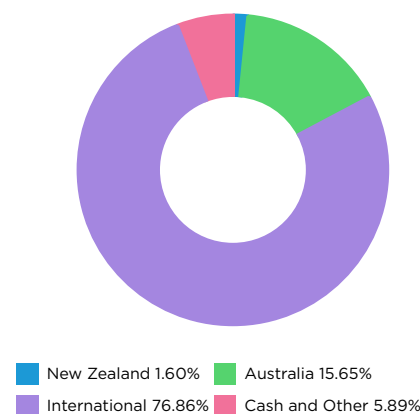
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	5.89%	5%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	94.11%	95.0%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

The actual cash held by the Fund is 3.51%. 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	34.16%
Industrials	12.92%
Communication Services	11.04%
Utilities	7.23%
Materials	7.12%
Real Estate	6.43%
Information Technology	4.62%
Consumer Discretionary	3.77%
Other Sectors	6.82%
Cash and Other	5.89%

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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