

Global Corporate Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 December 2024



Portfolio Managers



Anthony Ip
Portfolio Manager



Ian Robertson
Co-Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned -1.4% in December which was in line with the benchmark. The month was marked by higher global market interest rates as continued strong economic data, particularly in the United States, led to a resetting of central bank rate cut expectations. Credit spreads (the excess yield of corporate bonds over government bonds) were mixed across the key markets that the Fund invests in.

The Fund is positioned moderately underweight credit in US dollar credit, a reflection of our view that credit valuations in that market are expensive. Against this the Fund has an overweight exposure to Australian dollar credit and Euro credit. This positioning provided a tailwind to Fund returns. During the month, the Fund invested in the Australian dollar hybrid issuance from Ampol (Australian fuel distribution and oil refining company) and added to its position in Aroundtown (a Germany-focused commercial property landlord). The Fund is holding a larger than average cash balance as at year end, in part due to tight corporate bond valuations and also in part due to opportunities to add selective credit exposure in the primary markets during an expected busy issuance period at the start of 2025.

The Fund's interest rate exposure is broadly underweight, driven mostly by positioning in US dollar interest rates where we see continued uncertainty from the incoming Trump administration, continued solid economic growth and budget deficits as headwinds to US bond market performance.

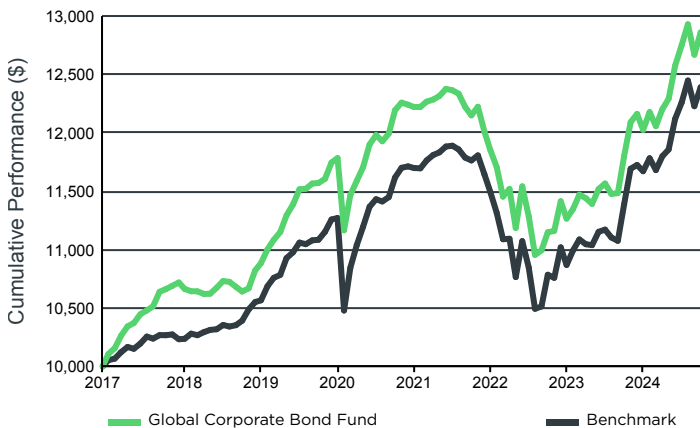
Looking ahead, despite tight credit market valuations, higher market interest rates underpin an ongoing attractive medium-term return outlook for the Fund, with bonds providing a material income cushion against most conceivable bond market weakness.

To view Milford's December 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)	\$369.2 M
Yield²	4.76%
Average Credit Rating	BBB+
Duration	5.99 years
Rating Categories	Inv.Grade 78% / High Yield 9% / 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 December 2024

Investment Performance after fees as at 31 December 2024⁵

Unit Price: \$1.0423

	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)	-1.44%	-1.97%	4.83%	1.22%	1.78%	3.04%
After Tax 10.50%	-1.29%	-1.76%	4.33%	1.10%	1.60%	2.72%
After Tax 17.50%	-1.19%	-1.62%	3.99%	1.02%	1.48%	2.51%
After Tax 28.00%	-1.03%	-1.41%	3.49%	0.90%	1.31%	2.20%
Benchmark	-1.39%	-1.85%	4.50%	1.15%	1.84%	2.56%

Top Fixed Interest Holdings

Holdings	% of Fund
Westpac 5.618% 2035	4.31%
NASDAQ 4.5% 2032	2.99%
Goodman US 5.125% 2034	2.59%
T-Mobile 2.55% 2031	2.52%
Smurfit Kappa 5.2% 2030	2.48%
Citigroup 5.592% 2034	2.41%
Asciano 4.75% 2028	2.34%
American Tower 3.8% 2029	2.32%
APT Pipelines 5% 2035	2.31%
NBS 3.828% 2032	2.09%
NAB 5.181% 2034	1.94%
NXP BV 4.3% 2029	1.88%
Barclays 7.385% 2028	1.81%
British Telecommunications 8.375% 2083	1.76%
TSB 6.625% 2029	1.71%
Experian Finance 4.25% 2029	1.68%
UBS 5.379% 2045	1.64%
Lloyds Bank 4.75% 2031	1.63%
McDonald's 3.875% 2031	1.62%
Aroundtown 4.8% 2029	1.59%

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

Current Asset Allocation

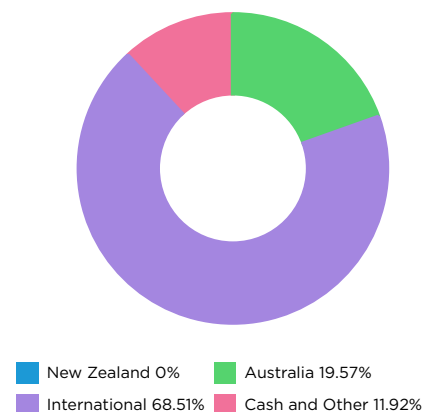
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	11.92%	5%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	88.08%	95.0%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

The actual cash held by the Fund is 10.44%. 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	34.65%
Communication Services	9.99%
Industrials	9.01%
Real Estate	7.44%
Utilities	7.29%
Materials	4.62%
Energy	4.19%
Health Care	3.73%
Other Sectors	7.16%
Cash and Other	11.92%

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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