

Global Corporate Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 May 2025



Portfolio Managers



Anthony Ip
Portfolio Manager



Ian Robertson
Co-Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund was flat in May, behind the benchmark return of 0.1%. The improved global growth outlook, combined with the risk of larger budget deficits across several jurisdictions saw government bond yields spike higher. The weakness in government bonds was a constraint on Fund returns, however this was cushioned by tighter credit spreads (the excess yield of corporate bonds over government bonds) allowing the Fund to post a flat return on the month. Relative returns were constrained by the Fund's cautious underweight positioning to corporate bonds.

The Fund used improved risk sentiment during the month to sell more expensive corporate bonds, especially those with lower credit ratings. The Fund reduced its positioning in bank subordinated bonds and corporate hybrids, at levels, which were generally stronger than pre-"Liberation Day" levels (i.e. the day when sweeping tariffs were announced by the Trump administration). The Fund used the proceeds to reinvest into lower volatility bonds such as bank senior bonds including Lloyds Banking Group in sterling (NZ dollar equivalent yield 4.3%), and US dollar bonds of Bank of America (4.2%) and Morgan Stanley (4.3%).

In light of expected volatility, we prefer lower-risk sectors such as US and EU national champion banks, telecommunications and global technology firms, while remaining underweight corporate bond exposure. The Fund remains underweight interest rate exposure mostly in the longer end of the market, where we believe supply and demand dynamics are at higher risk of imbalance given the outlook for high fiscal deficits (funded by government bond issuance) and reduced pension fund/insurance demand for long-end interest rate exposure.

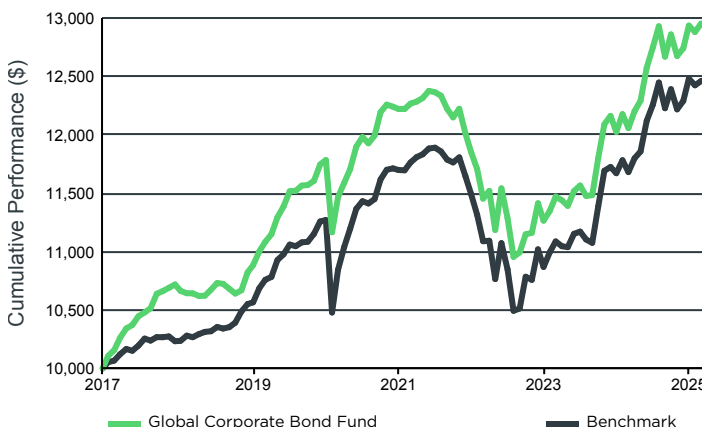
Turning to the outlook, we remain vigilant to potential volatility from geopolitical risks. This should provide opportunities for active management, while historically attractive bond yields should underpin an attractive medium-term return profile.

To view Milford's May 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)	\$441.1 M
Yield²	3.45%
Average Credit Rating	BBB+
Duration	5.7 years
Rating Categories	Inv.Grade 93% / High Yield 4% / Unrated 1%
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 May 2025

Investment Performance after fees as at 31 May 2025 ⁵

Unit Price: \$1.0565

	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)	0.00%	0.13%	6.13%	3.98%	2.25%	3.15%
After Tax 10.50%	0.00%	0.14%	5.49%	3.57%	2.02%	2.83%
After Tax 17.50%	0.00%	0.15%	5.06%	3.29%	1.87%	2.61%
After Tax 28.00%	0.00%	0.16%	4.41%	2.88%	1.64%	2.28%
Benchmark	0.12%	-0.05%	5.72%	3.99%	2.47%	2.69%

Top Fixed Interest Holdings

Holdings	% of Fund
Intercontinental Exchange 5.25% 2031	4.01%
T-Mobile 2.55% 2031	3.05%
BNZ 5.698% 2035	2.74%
Broadcom 5.2% 2032	2.72%
Mastercard 4.35% 2032	2.66%
Barclays Float 2029	2.60%
Aroundtown 4.8% 2029	2.33%
UBS 4.194% 2031	2.22%
Mcdonald's 3.5% 2032	2.19%
Dell 5.3% 2032	2.12%
Goodman US 5.125% 2034	2.06%
Morgan Stanley 5.23% 2031	1.96%
Smurfit Kappa Treasury 5.2% 2030	1.96%
BHP 5% 2030	1.96%
Bank of America 5.464% 2036	1.92%
Lloyds Banking Group 5.25% 2031	1.89%
Westpac 5.618% 2035	1.89%
American Tower 3.8% 2029	1.85%
NBS 3.828% 2032	1.82%
APA Infrastructure 5% 2035	1.82%

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

Current Asset Allocation

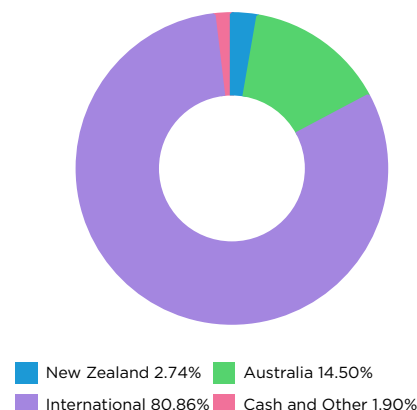
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	1.64%	5%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	98.10%	95.0%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	0.26%	0.0%

The actual cash held by the Fund is 0.24%. 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	36.12%
Communication Services	11.80%
Materials	8.40%
Information Technology	7.72%
Real Estate	7.24%
Industrials	6.60%
Consumer Discretionary	5.69%
Utilities	4.80%
Other Sectors	9.73%
Cash and Other	1.90%

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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