Global Corporate Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 October 2026

MILFORD
INVESTED IN YOU

Portfolio Managers



Anthony Ip
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 1.6% in October, in line with its benchmark. The absolute return was driven by lower market interest rates, as investors extrapolated a risk of a slower AI buildout into slower economic growth, and moved towards safer assets.

The Fund's underweight positioning in global investment grade corporate bonds supported returns relative to the benchmark as credit spreads (the extra yield of corporate bonds over government bonds) widened over the month. The Fund's underweight in the AI-related industries and hyperscalers was a key contributor, as these issuers came under pressure as concerns about how the AI boom is being financed intensified through the month. Security selection detracted slightly from relative performance as overweight positions in Charter Communications and Skydance underperformed, caught up in the broader weakness across the technology, media and telecommunications (TMT) sector. Our overweight in high-quality US banks largely offset this, as they outperformed over the month.

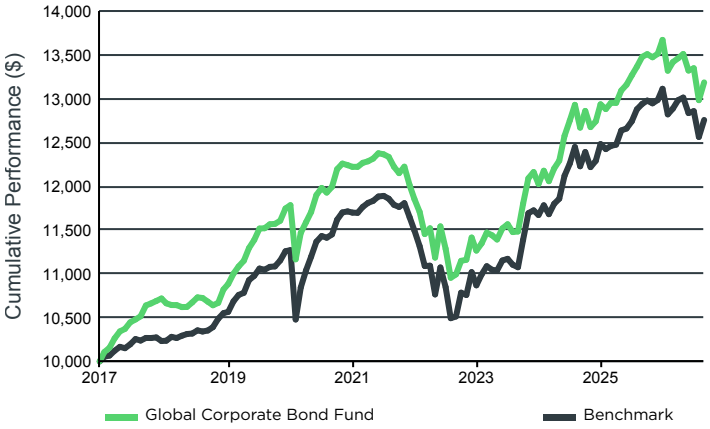
Looking ahead, on interest rates, our overall view remains cautious. However, we increased the Fund's interest rate exposure during the month as concerns about the AI trade grew, so that the Fund would benefit from a flight to safety. In terms of corporate bonds, credit spreads have widened from multi-decade tight levels, but we remain cautious overall. There are still risks ahead, including near-term challenges to the AI narrative, ongoing geopolitical concerns (notably Middle East energy risks) and building headwinds to global economic activity. We do not think current valuations fully reflect these risks. We are comfortable keeping a defensive stance for now, however if market volatility creates more attractive entry points, we will add risk selectively.

To view Milford's October 2026 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

Objective [1]	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)	$413.6 M
Yield [2]	4.04%
Average Credit Rating	BBB+
Duration	5.6 years
Rating Categories	Inv.Grade 87% / High Yield 3%
Inception Date	1 February 2017
Current Distribution	0.55 cents per unit (Quarterly)
Benchmark	Bloomberg Global Aggregate Corporate Total Return Index (100% NZD-hedged)
Base Fund Fee [3]	0.85%
Performance Fee	Not applicable
Total Fund Fees [4]	0.85%
Risk Indicator	Lower risk 1 2 **3** 4 5 6 7 Higher risk Potentially lower returns — Potentially higher returns

Milford Asset Management
W milfordasset.com
T 0800 662 345
E info@milfordasset.com
Level 12, 50 Albert Street
Auckland 1010, New Zealand
PO Box 960, Shortland Street
Auckland 1140, New Zealand

Global Corporate Bond Fund as at 31 October 2026

Investment Performance after fees as at 31 October 2026 [5]

Unit Price: $1.0338

	1 Month	1 year	3 years (p.a.)	5 years (p.a.)	10 years (p.a.)	Since inception (p.a.)
Milford Global Corporate Bond Fund (Gross Of Tax)	1.56%	-2.16%	4.71%	1.53%	-	2.88%
After Tax 10.50%	1.40%	-1.94%	4.21%	1.38%	-	2.58%
After Tax 17.50%	1.29%	-1.80%	3.88%	1.27%	-	2.38%
After Tax 28.00%	1.13%	-1.59%	3.38%	1.12%	-	2.08%
Benchmark	1.55%	-1.41%	4.82%	1.59%	-	2.53%

Top Fixed Interest Holdings

Holdings	% of Fund
Bank Of America 5.872% 2034	3.70%
Macquarie 5.819% 2037	3.35%
Watercare 4.331% 2033	3.07%
Permanent TSB 3.875% 2035	2.87%
Morgan Stanley 5.32% 2035	2.74%
UBS Group 4.521% 2037	2.62%
Charter Comms. 7.087% 2038	2.48%
Sumitomo Mitsui 3.536% 2030	2.42%
Anglian Water 5.375% 2033	2.27%
Bank Of America 5.464% 2036	2.15%
Santos 5.75% 2035	2.14%
Carnival Corp 6.125% 2033	2.13%
Zurich Finance 5% 2033	2.13%
Experian 5.25% 2035	2.08%
GE Vernova 4.875% 2036	2.06%
Dell 4.75% 2032	2.04%
CaixaBank Float 2031	2.04%
APA Infrastructure 5% 2035	2.03%
GE Healthcare 5.5% 2035	1.94%
Nationwide Building Society 3.828% 2032	1.90%

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

Current Asset Allocation

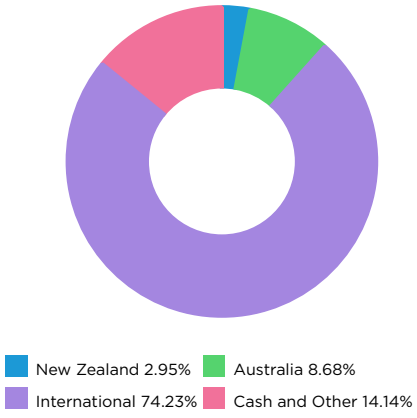
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	14.36%	5%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	85.64%	95.0%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

The actual cash held by the Fund is 12.97%. 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	39.36%
Utilities	12.14%
Information Technology	6.11%
Communication Services	6.09%
Materials	4.92%
Energy	4.00%
Consumer Discretionary	3.31%
Industrials	3.19%
Other Sectors	6.74%
Cash and Other	14.14%

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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