

Global Corporate Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 29 February 2024



Portfolio Managers



Anthony Ip
Portfolio Manager



Ian Robertson
Co-Portfolio Manager



Paul Morris
Co-Portfolio Manager

February was a busy month for the global corporate bond market as the market contended with record levels of issuance in Euros and US dollars, rising market interest rates and the corporate reporting season. During the month, the Fund returned -1.1% which was 0.7% behind the benchmark, reversing the Fund's outperformance from January.

There were a couple of factors which contributed to the Fund's relative performance. Firstly, the Fund started February with an underweight exposure to global corporate bonds. This led to a lower sensitivity to credit spreads (the extra yield of corporate bonds versus government bonds) which squeezed tighter for much of February. Secondly, the Fund ran an underweight exposure to the lower rated, and more risky, parts of the high yield bond market which outperformed.

Performance was mixed across the Fund's holdings. Financials bonds had a mixed month as concerns over commercial real estate in the US and Europe rippled across the banking sector in early February. These concerns faded towards the month end however, which supported the performance of the Fund's holdings in subordinated bank bonds. Amongst the largest detractors from performance were the Fund's holdings in AT&T and Warner Bros Discovery, the latter impacted by worries over the prospects in the media advertising market.

The Fund had a lower-than-neutral exposure to market interest rates, which benefited as interest rates trended higher during the month. The Fund's current interest rate positioning is close to neutral. While it's increasingly clear that central banks are close to the end of the hiking cycle, interest rate cuts may prove to be some way off, as above-target inflation may prove stickier than expected.

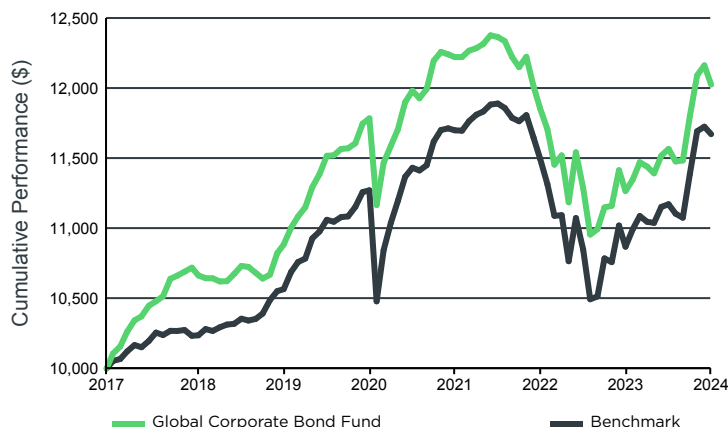
In the immediate term, we remain wary of expensive valuations for parts of the global corporate bond market in the context of global economic uncertainty. In this context, the Fund intends to maintain a small underweight positioning to global credit spreads while maintaining a close-to neutral position to market interest rates.

To view Milford's February 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)	\$389.4 M
Yield²	4.90%
Average Credit Rating	BBB
Duration	3.36 years
Rating Categories	Inv.Grade 73% / High Yield 15%
Inception Date	1 February 2017
Current Distribution	0.85 cents per unit (Quarterly)
Benchmark	Bloomberg Barclays Global Corporate 3-5 Year Total Return Index Value Hedged USD (100% NZD-hedged)
Base Fund Fee³	0.85%
Performance Fee	Not applicable
Total Fund Fees⁴	0.85%



Global Corporate Bond Fund as at 29 February 2024

Investment Performance after fees as at 29 February 2024⁵

Unit Price: \$1.0217

	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)	-1.13%	1.90%	6.74%	-0.54%	2.01%	2.64%
After Tax 10.50%	-1.03%	1.69%	6.01%	-0.48%	1.80%	2.36%
After Tax 17.50%	-0.97%	1.55%	5.53%	-0.44%	1.66%	2.18%
After Tax 28.00%	-0.87%	1.35%	4.80%	-0.38%	1.45%	1.90%
Benchmark	-0.46%	2.49%	7.38%	-0.08%	2.01%	2.21%

Top Fixed Interest Holdings

Holdings	% of Fund
JPMorgan 1.578% 2027	2.56%
Toll Brother 4.35% 2028	2.44%
NBS 6.178% 2027	2.20%
Vodafone 3.00% 2080	2.18%
Berry 5.5% 2028	2.14%
HCA 5.875% 2026	2.12%
Close Brothers Group 5.5% 2029	2.11%
Abbvie 4.95% 2031	2.11%
Santos 5.25% 2029	2.09%
Asciano 4.75% 2028	2.03%
Goodman 1.375% 2025	1.98%
Broadcom 4.15% 2032	1.97%
American Tower 3.8% 2029	1.96%
Discovery 3.625% 2030	1.88%
SBA Comms. 3.125% 2029	1.87%
Fiserv 4.5% 2031	1.79%
GEHC 5.905% 2032	1.78%
Air Products 4.85% 2034	1.66%
NXP BV 4.3% 2029	1.63%
BARC 7.385% 02/11/2028	1.60%

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

Current Asset Allocation

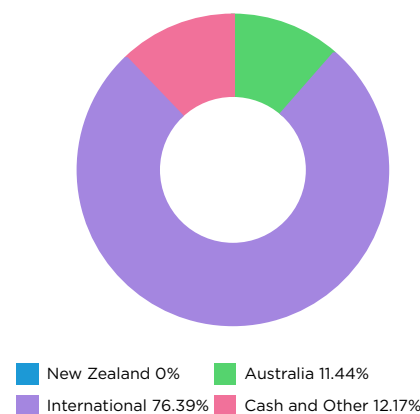
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	12.17%	5%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	87.83%	95.0%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

The actual cash held by the Fund is 5.47%. 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	38.67%
Communication Services	11.40%
Real Estate	9.26%
Health Care	7.94%
Materials	5.31%
Energy	4.51%
Information Technology	4.30%
Industrials	3.61%
Other Sectors	2.83%
Cash and Other	12.17%

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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