

Global Corporate Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 January 2024



Portfolio Managers



Anthony Ip
Portfolio Manager



Ian Robertson
Co-Portfolio Manager



Paul Morris
Co-Portfolio Manager

January was a busy month for the global bond market with continued volatility in interest rates and a strong start to the year for global corporate bond issuance. During the month, the Fund returned 0.6% which was 0.3% ahead of the benchmark.

Global interest rates finished the month close to where they started the year, however there was significant intra-month volatility, as economic data painted a mixed picture on the state of the global economy. While it's increasingly clear that central banks are near the start of an easing cycle, we are cautious on the amount of rate cuts that have been priced in by the interest rate markets. In this context, we are comfortable maintaining the Fund's interest rate exposure at close to neutral.

The Fund maintains a moderate underweight exposure to credit spreads (the extra yield of corporate bonds versus government bonds). On a number of metrics, credit spreads look narrow (i.e. fully valued), but we acknowledge that the demand for corporate bonds remains high as investors seek to lock in high yields. The Fund took the opportunity to sell more expensive bonds to reinvest in better value bonds such as new issuances from ANZ New Zealand and KBC Group (Belgian bank) in the Euro-denominated market. The Fund also invested in new issuances from US bank Morgan Stanley in the USD-denominated market.

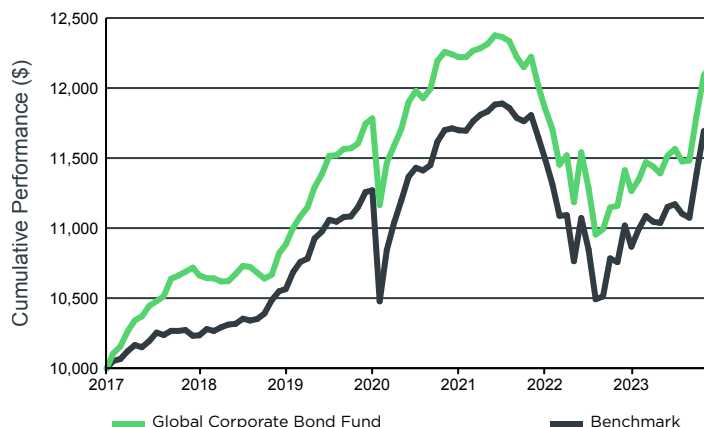
In the immediate term, we remain wary of expensive valuations for global corporate bonds in the context of global economic uncertainty. In this context, the Fund intends to maintain an underweight positioning to global corporate bonds while maintaining a close-to-neutral position to interest rates.

To view Milford's January 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)	\$463.9 M
Yield²	4.35%
Average Credit Rating	BBB
Duration	3.33 years
Rating Categories	Inv. Grade 71% / High Yield 13% / Unrated 1%
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 31 January 2024

Investment Performance after fees as at 31 January 2024⁵

Unit Price: \$1.0334

	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)	0.59%	5.91%	6.55%	-0.21%	2.36%	2.84%
After Tax 10.50%	0.53%	5.27%	5.86%	-0.18%	2.12%	2.54%
After Tax 17.50%	0.49%	4.85%	5.41%	-0.16%	1.96%	2.34%
After Tax 28.00%	0.43%	4.22%	4.73%	-0.12%	1.72%	2.05%
Benchmark	0.28%	5.86%	6.39%	0.03%	2.13%	2.30%

Top Fixed Interest Holdings

Holdings	% of Fund
JPMorgan 1.578% 2027	2.14%
Toll Brother 4.35% 2028	2.09%
UBS 6.246% 2029	1.87%
NBS 6.178% 2027	1.84%
Vodafone 3.00% 2080	1.83%
HCA 5.875% 2026	1.82%
Berry 5.5% 2028	1.80%
Morgan Stanley 5.173% 2028	1.77%
Santos 5.25% 2029	1.77%
Asciano 4.75% 2028	1.69%
American Tower 3.8% 2029	1.69%
Broadcom 4.15% 2032	1.67%
Goodman 1.375% 2025	1.66%
JPMorgan 4.457% 2031	1.62%
Discovery 3.625% 2030	1.60%
SBA Comms. 3.125% 2029	1.59%
Fiserv 4.5% 2031	1.52%
NBS 5.35% 2028	1.43%
JPMorgan 4.6% Perpetual	1.40%
CYBG 9.25% Perpetual	1.38%

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

Current Asset Allocation

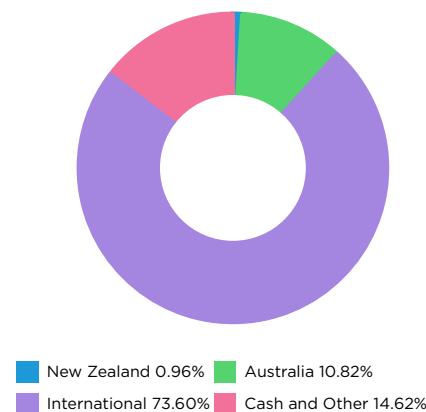
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	11.99%	5%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	85.38%	95.0%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	2.63%	0.0%

The actual cash held by the Fund is 4.38%. 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	47.18%
Communication Services	9.45%
Real Estate	6.08%
Materials	5.30%
Information Technology	3.59%
Energy	3.37%
Industrials	2.72%
Health Care	2.45%
Other Sectors	5.24%
Cash and Other	14.62%

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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