

Global Corporate Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 September 2023



Portfolio Managers



Anthony Ip
Portfolio Manager



Ian Robertson
Co-Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund was down 0.8% for September which was broadly in line with its benchmark. The movement in global bond yields was the key driver for the Fund's performance in September. September saw global bond yields increase significantly as a number of factors played out, including central bank rate hikes, oil price rises, resilient economic data, and a strong supply of government bonds (especially in the US). Going forward, this higher interest rate environment should provide a reasonable return cushion for the Fund.

We entered the month with a small underweight exposure to credit spreads (the extra yield of corporate bonds versus government bonds) versus the benchmark. This supported the Fund's performance versus its benchmark, as global credit spreads widened modestly during the month. The aforementioned interest rate volatility, the supply of bonds (both corporate and government) in the Northern Hemisphere markets, and equity market volatility were a combined headwind for global corporate bonds. As expected, the supply of corporate bonds resumed in September as Northern Hemisphere markets returned from holidays. We used this opportunity to add a number of positions in the primary market where we believe we can capture attractively priced new issuance opportunities.

The Fund had an active month, adding positions in high-quality corporates including in two payment processing companies - Worldline and Worldpay. We believe both companies are attractively positioned in their respective parts of the payments industry and will continue to benefit from secular payments growth. The Fund also added positions in BHP (global commodities), Veralto (primarily a water treatment company) and ESB (an Irish state-owned electricity utility). Finally, the Fund invested in new financials issuances from Lloyds Banking Group and UBS AG.

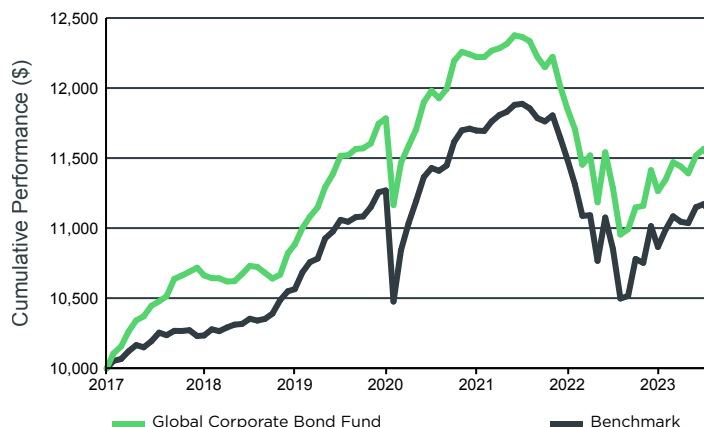
In the immediate term, the Fund intends to reduce the size of its underweight exposure to corporate bonds. The recent modest widening in credit spreads provides an opportunity to do so. Going forward, we expect the combination of higher global government bond yields and credit spreads to provide an attractive income yield. Historically elevated market yields should underpin an attractive return profile for the Fund.

Anthony Ip will assume lead portfolio management responsibilities for the Fund from October. Paul Morris will become a co-manager. Ian Robertson will remain as a co-manager.

To view Milford's September 2023 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)	\$452.0 M
Yield²	5.72%
Average Credit Rating	BBB
Duration	3.36 years
Rating Categories	Inv.Grade 76% / High Yield 10%
Inception Date	1 February 2017
Current Distribution	0.7 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 30 September 2023

Investment Performance after fees as at 30 September 2023⁵

Unit Price: \$0.9834

	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)	-0.77%	0.75%	4.76%	-1.28%	1.37%	2.09%
After Tax 10.50%	-0.72%	0.66%	4.25%	-1.14%	1.22%	1.87%
After Tax 17.50%	-0.68%	0.60%	3.91%	-1.05%	1.13%	1.72%
After Tax 28.00%	-0.62%	0.51%	3.39%	-0.91%	0.99%	1.51%
Benchmark	-0.61%	0.61%	5.76%	-0.90%	1.43%	1.58%

Top Fixed Interest Holdings

Holdings	% of Fund
JPMorgan 1.578% 2027	2.17%
Toll Brother 4.35% 2028	2.07%
NBS 6.178% 2027	1.87%
HCA 5.875% 2026	1.85%
CBA 5.398% 2027	1.85%
Berry 5.5% 2028	1.83%
D.R. Horton 2.6% 2025	1.74%
Vodafone 3.00% 2080	1.68%
American Tower 3.8% 2029	1.65%
Asciano 4.75% 2028	1.65%
Goodman 1.375% 2025	1.65%
Discovery 3.625% 2030	1.59%
GEHC 5.857% 2030	1.56%
SBA Comms. 3.125% 2029	1.55%
Worldline 4.125% 2028	1.47%
Fiserv 4.5% 2031	1.44%
Wells Fargo 2.406% 2025	1.43%
NBS 5.35% 2028	1.41%
VMware 2.2% 2031	1.40%
JPMorgan 4.6% Perpetual	1.39%

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

Current Asset Allocation

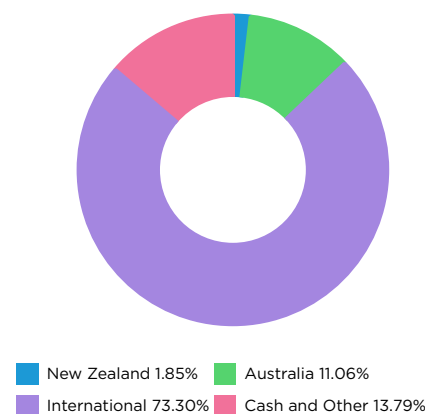
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	11.34%	5%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	86.21%	95.0%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	2.45%	0.0%

The actual cash held by the Fund is 2.89%. 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	43.22%
Communication Services	9.78%
Materials	9.19%
Real Estate	5.57%
Health Care	4.03%
Information Technology	3.32%
Consumer Discretionary	3.09%
Energy	2.58%
Other Sectors	5.43%
Cash and Other	13.79%

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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