

# Milford Global Real Asset Fund - R Class

## December 2024



### Portfolio Managers



**Paul Morris**  
Portfolio Manager



**Ryan Williams**  
Co-Portfolio Manager

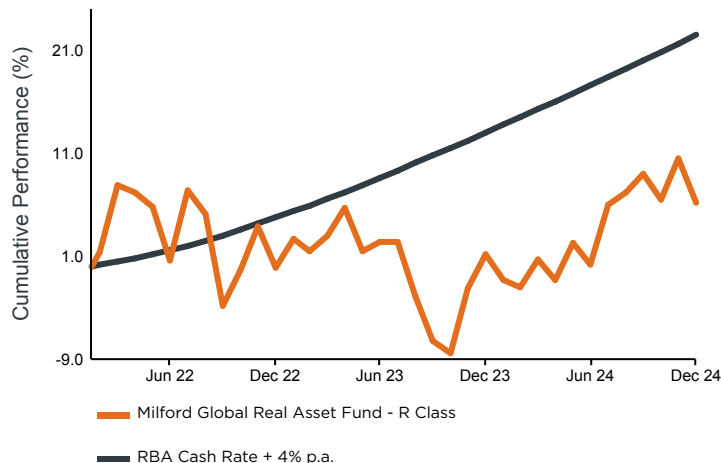
The Fund was down 3.9% in December which was behind its benchmark. Market movements in the month were dominated by a broad share market sell-off and an increase in market interest rates (especially longer dated rates). The US 10-year government bond yield rose from 4.2% to 4.6%, and expectations for interest rate cuts have been moderated. This was a headwind for the Fund's shares which are typically sensitive to interest rates.

The Fund's top performer Ferrovial (global toll roads, +4.1%) benefited from strong operational performance and increasing tolls. European telecom towers, INWIT (+0.7%) also finished up on the month. The bottom performers included the US freight railway operators Norfolk Southern (-14.9%) and CSX (-11.7%) as both companies had a strong month in November on the back of US elections, but macroeconomic concerns around freight movement in the US have led to a pullback in the shares.

We made several small changes to the portfolio during the month including trimming our positions in Cheniere Energy (US LNG exports), and Ferrovial after the aforementioned strong performance. Infrastructure policy uncertainty continues with the incoming US President in the midst of setting his policy agenda. Upcoming elections in Germany will likely lead to a change in government and there is continued uncertainty in the political outlook in France. As a result, there are several key countries where infrastructure policy uncertainty is notably high. Strategic positioning is focused on high-quality assets which will be important in navigating the evolving infrastructure landscape characterized by both opportunities and risks.

We reiterate a reasonable medium-term Fund return outlook. Moderating inflation, slower but resilient growth, and the peak in the interest rate cycle should support infrastructure share returns over the medium term.

### Cumulative Performance (after fees and expenses) 31 December 2024



Performance since inception and assumes reinvestment of distributions. Past performance is not a reliable indicator of future performance.

### Key Fund Facts

<b>Objective</b>	To out-perform the RBA cash rate by 4% per annum over a rolling 8-year period (net of fees)
<b>Description</b>	Exposure to primarily global listed infrastructure, utility and selected real estate securities
<b>Benchmark</b>	RBA Cash Rate + 4% p.a.
<b>APIR</b>	ETL2287AU
<b>Redemption Price as at 31 Dec</b>	\$1.0206
<b>Fund Size*</b>	\$1 Million
<b>Inception Date</b>	February 2022
<b>Minimum Investment</b>	\$1,000
<b>Recommended Investment Timeframe</b>	8 years +
<b>Buy-sell Spread</b>	+/-0.20%
<b>Entry/Exit Fee</b>	Nil
<b>Management Fee</b>	1.15%
<b>Fund Pricing</b>	Daily
<b>Distribution Frequency</b>	Quarterly

\*The Fund Size represents the total assets of the fund

## Milford Global Real Asset Fund as at 31 December 2024

### Investment Performance to 31 December 2024

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Global Real Asset Fund - R Class	-3.89%	-2.57%	4.94%	-	-	2.12%
RBA Cash Rate + 4% p.a.	0.68%	2.04%	8.37%	-	-	7.29%
Excess Return	-4.57%	-4.61%	-3.43%	-	-	-5.17%

Past performance is not a reliable indicator of future performance. Returns greater than one year are annualised.

### Top Security Holdings

Holdings	% of Fund
Ameren	5.43%
National Grid	4.76%
Getlink	4.61%
Aena SME	4.56%
Ferrovial	4.42%
Severn Trent	4.23%
Duke Energy	4.09%
Cheniere Energy	4.03%
SSE	3.65%
RWE	3.33%

### Current Asset Allocation

	Actual	Neutral	Maximum Range
Australian Equities	5.34%	0%	0-25%
International Equities	78.67%	95%	50-100%
Cash and Other	15.99%	5%	0-20%

### Fund Changes

There have been no material changes to the Fund's risk profile or strategy since the last monthly report. There have been no changes to the key service providers or individuals playing a key role in investment since the last monthly report.

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Milford Global Real Asset Fund - R Class's Target Market Determination is available at <https://milfordasset.com.au/documents-and-forms>. The Target Market Determination is a document describing who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.