



Global Bond Fund Introduction

Fund Overview

The Milford Global Bond Fund is an actively managed NZ dollar hedged fixed interest fund. It primarily invests in a diversified portfolio of global corporate bonds. The Fund is managed by Milford's experienced fixed interest team and leverages the skills of the wider Milford investment team of over 20 investment professionals in Auckland and Sydney.

Investment Objective

To generate a positive, NZ dollar hedged return that exceeds the benchmark over the minimum recommended timeframe of three years.

Investment Strategy

The Fund aims to achieve its objective through active management of a diversified portfolio of global debt instruments, primarily corporate bonds, with an average credit rating of at least "BB" and a long term neutral target of "BBB-". Over time it will hold a greater exposure to corporate bonds relative to its benchmark.

The Fund invests in the liquid and diverse universe of global debt instruments. It targets exposures to debt instruments offering the best risk adjusted NZ dollar hedged yields across multiple markets. This includes active management of asset allocation between currency markets, credit sectors (e.g. High Yield versus Investment Grade), industry sectors and company capital structures. Interest rate exposures are also actively managed across different currency allocations.

The Fund's neutral position is to fully hedge all foreign currency exposures back to NZ dollars.

Who the Fund Suits

The Fund suits investors looking for:

- Global fixed interest exposure (NZ dollar-hedged)
- A truly active, and largely unconstrained approach to fixed interest investing that targets:
 - Outperformance of its benchmark
 - Absolute returns over the minimum recommended timeframe
 - Broad diversification of credit and interest rate risk
- Exposure to global corporate debt instruments, ranging from Investment Grade to High Yield and Loans
- An investment horizon of at least three years

Key Fund Facts

Benchmark*	Bloomberg Barclays Global Aggregate 3-5 Year Total Return Index Value Hedged USD, hedged to NZD.
Inception date	1 February 2017
Minimum investment	\$10,000 / \$100,000 for Trusts, Partnerships and Companies
Recommended investment timeframe	3+ years
Base fund fee	0.95%
Entry/exit fee	Nil
Hedged to	NZD
Distribution	Quarterly - 0.75 cents per unit
Fund pricing	Daily

* It is intended that over time the Fund will have a larger exposure to corporate bonds versus its benchmark.



Portfolio Manager Details

Paul Morris – Portfolio Manager

Paul joined Milford in February 2016. He is the Portfolio Manager of the Milford Trans-Tasman Bond Fund, the Milford Global Bond Fund and the Milford Conservative Funds (Unit Trust & KiwiSaver) as well as the Co-Manager of the Milford Balanced Funds (Unit Trust & KiwiSaver). Paul has over 20 years' experience in financial markets here and overseas. Paul held senior fixed income roles with investment banks including Merrill Lynch and ABN AMRO in London. His experience includes debt capital markets, credit trading and interest rate derivatives trading. Paul moved to New Zealand in 2009 and was Executive Director and Head of Debt Capital Markets at JBWere, before moving to Macquarie Private Wealth in 2010. Paul has a Masters in Aeronautical Engineering from Queens University in Belfast.



David Lewis – Co-Portfolio Manager

David is Deputy Head of Investments and is the Portfolio Manager of the Milford Diversified Income Fund. He is also the Co-Manager of the Milford Trans-Tasman Bond & Global Bond Funds. David joined Milford in 2013 from Merrill Lynch where he worked in Sydney and London for eight years in a variety of areas including credit research, emerging market research, and principal investments in high yield/distressed credit. Prior to this, David spent four years as a fixed income analyst at BT Funds Management and Principal Global Investors, based in Sydney and London. David has a Bachelor of Commerce in Economics from the University of Canterbury, a Master of Commerce in Finance from the University of Sydney, and is a CFA Charterholder.



Target Asset Allocation

	Target	Min	Max
Cash	5%	0%	50%
NZ Fixed Interest	0%	0%	20%
International Fixed Interest	95%	30%	100%

Further Fund Parameters

	Min	Max
FX Exposure*	-10%	10%
Maximum Individual Exposure**^	0%	10%
Unrated / Non-IG^	0%	70%
Max Net Long	N/A	110%
Max Gross Exposure	N/A	150%
Average Credit Rating***^	BB	AAA

*Target FX exposure 0% ** Average 60-90 holdings *** Target average credit rating is BBB-

^These Fund Parameters do not form part of the Fund's formal Statement of Investment Policy & Objectives document (SIPO).

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