

Global Corporate Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 May 2022



Portfolio Managers



Travis Murdoch
Portfolio Manager



Ian Robertson
Co-Portfolio Manager

After a challenging start to the year for bond funds, there are signs that interest rate market volatility is falling with the Fund generating a positive return of 0.6% in May, which was 0.5% above its benchmark. Returns benefitted from a moderation in the strong pace of rising market interest rates which had driven bond prices lower over recent months. While central banks continue to signal further increases to cash rates, the month saw longer term government bond yields more mixed, with modest declines in the US as the market became more concerned with slowing global growth, but increases in Europe on higher than expected inflation.

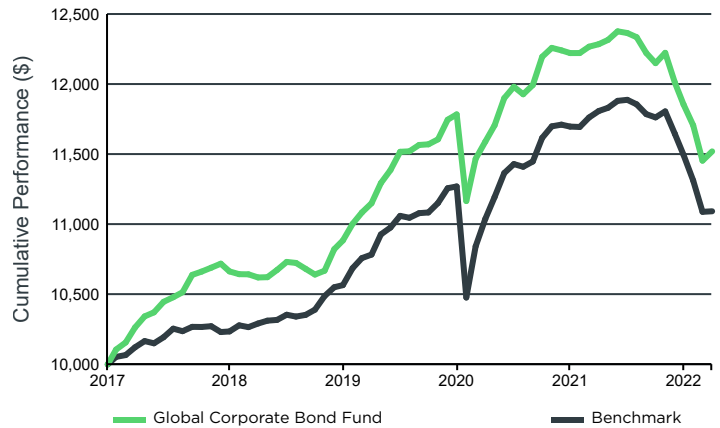
The performance of corporate bonds was also mixed across geographies, with US Dollar corporate bonds outperforming those in Euros, where the market remains wary of the removal of monetary policy support from the European Central Bank over the near term. We continue to be selective in our trading activity but do see pockets of value in corporate bonds underpinned by higher and closer to fair value market interest rates. During the month the Fund participated in the inaugural Euro issuance from Visa, as well as issuance from Morgan Stanley and Westpac Australia (in US Dollars).

Looking forward, we expect volatility to continue to remain elevated in fixed income markets as central banks react to persistently high levels of inflation. Although we see risks skewed towards higher market interest rates, global market interest rates have already moved a significant way closer to long run fair value. The Fund maintains its slightly below neutral interest rate exposure to the US, partly offset by above neutral exposure to Australasia where we believe market interest rates more fully reflect the impact of anticipated future central bank rate hikes.

To view Milford's June 2022 Market and Economic Review please see milfordasset.com/fact-sheet.

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)	\$445.5 M
Yield²	4.33%
Average Credit Rating	BBB
Duration	3.4 years
Rating Categories	Inv.Grade 73% / High Yield 19%
Inception Date	1 February 2017
Current Distribution	0.45 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%
Risk Indicator	<div style="display: flex; justify-content: space-between; align-items: center;"> Lower risk Higher risk </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> Potentially lower returns Potentially higher returns </div>

Global Corporate Bond Fund as at 31 May 2022

Investment Performance after fees as at 31 May 2022⁵

Unit Price: \$1.0225

	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)	0.58%	-2.82%	-6.22%	1.09%	2.18%	2.69%
After Tax 10.50%	0.54%	-2.50%	-5.58%	0.99%	1.95%	2.41%
After Tax 17.50%	0.52%	-2.29%	-5.15%	0.92%	1.80%	2.22%
After Tax 28.00%	0.48%	-1.97%	-4.50%	0.81%	1.58%	1.94%
Benchmark	0.04%	-3.50%	-6.05%	0.95%	1.76%	1.97%

Top Fixed Interest Holdings

Holdings	% of Fund
Visa 2% 2029	2.56%
Becton Dickinson Euro 0.334% 2028	2.49%
Danaher Corp 0.45% 2028	2.42%
John Deere 1.75% 2024	2.37%
CSL 3.85% 2027	2.08%
JPMorgan 1.578% 2027	2.07%
AT&T 1.65% 2028	2.00%
HCA 5.875% 2026	1.84%
RBLN 2.75% 2024	1.81%
CBA 2.552% 2027	1.71%
Asciano 4.75% 2028	1.68%
Magallanes 3.755% 2027	1.68%
ANZ 2.166% 2025	1.68%
DR Horton 2.6% 2025	1.66%
American Tower 3.8% 2029	1.65%
Verizon Float 2023	1.64%
Goodman 1.375% 2025	1.60%
Seagate 4.091% 2029	1.60%
Lennar Corp 4.5% 2024	1.59%
Aroundtown 4.5% 2025	1.56%

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

Current Asset Allocation

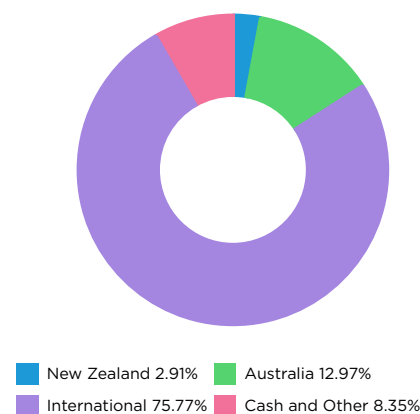
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	8.35%	5.0%
New Zealand Fixed Interest	1.23%	0.0%
International Fixed Interest	90.42%	95.0%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

The actual cash held by the Fund is 4.91%. 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	21.71%
Communication Services	16.05%
Information Technology	11.23%
Health Care	10.19%
Consumer Discretionary	9.18%
Real Estate	7.31%
Industrials	6.05%
Materials	4.91%
Other Sectors	5.02%
Cash and Other	8.35%

Region Exposure



1. After the base fund fee but before tax. 2. Yield to maturity (before tax and fees) for underlying investments in the Fund. 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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