

Global Corporate Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 April 2021



Portfolio Managers



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Portfolio Manager



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Co-Portfolio Manager

April was generally a good month for fixed income markets, led by US government bond yields which finished the month lower (prices higher) for the first time since December 2020, despite evidence of strong economic growth and building inflationary pressures. European government bonds bucked the trend, with yields closing the month higher. Nonetheless, corporate bonds in both Europe and the US generally had a constructive month.

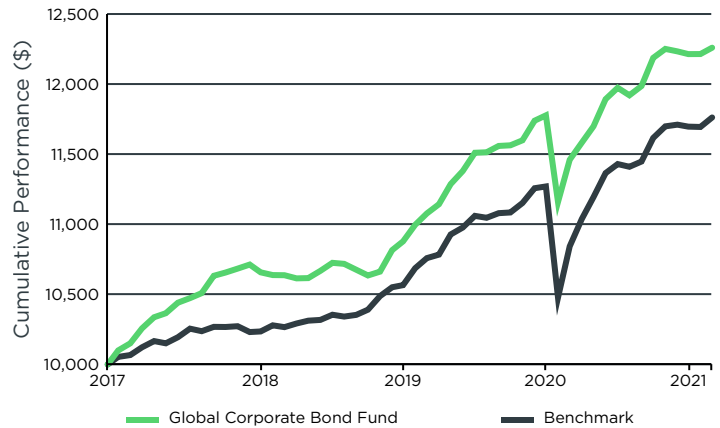
The Fund returned 0.4% in April but underperformed the benchmark due mainly to its below neutral interest rate exposure. The Fund used the relative corporate bond strength to reduce some of its above neutral exposure to further outperformance of corporate bonds relative to governments. It continues to maintain less exposure to the weakest parts of the high-yield market where further outperformance is increasingly less likely due to valuations, retaining subordinated bonds of investment grade corporates (including banks) instead.

Looking forward, risks remain skewed to a further move higher in interest rates and the Fund interest rate exposure remains below neutral to cushion against this. We continue to see good opportunities for capital rotation within corporate bond markets. The Fund will likely take advantage of what is typically a seasonally high month for new issuance to buy corporate bonds that come with attractive new issue premiums.

To view Milford's May 2021 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	Protect capital and generate a positive NZD-hedged return that exceeds the relevant benchmark over a minimum of three years
Description	Primarily invests in global corporate fixed interest securities
Target Allocation	100% Income Assets / 0% Growth Assets
Neutral FX Exposure	0%
Net Asset Value (NAV)	\$836.0 M
Yield²	1.72%
Average Credit Rating	BBB+
Duration	2.98 years
Rating Categories	Inv. Grade 75% / High Yield 17%
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%





Global Corporate Bond Fund as at 30 April 2021

Investment Performance after fees as at 30 April 2021⁵

Unit Price: \$1.1072

	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)	0.37%	0.22%	6.98%	4.85%	-	4.93%
After Tax 10.50%	0.33%	0.20%	6.24%	4.33%	-	4.41%
After Tax 17.50%	0.31%	0.20%	5.74%	3.99%	-	4.06%
After Tax 28.00%	0.27%	0.19%	5.01%	3.48%	-	3.54%
Benchmark	0.58%	0.44%	8.48%	4.64%	-	3.90%

Top Fixed Interest Holdings

Holdings	% of Fund
Seagate 4.091% 2029	1.52%
Kerry Group 0.625% 2029	1.52%
Danaher Corp 0.45% 2028	1.46%
McDonald's 3% 2024	1.42%
NXP BV 4.3% 2029	1.34%
John Deere 1.75% 2024	1.33%
Macquarie 3.052% 2036	1.30%
John Deere 0.70% 2026	1.24%
Crown Castle 2.25% 2031	1.22%
Bank of America 1.898% 2031	1.20%
Vantage Towers 0.75% 2030	1.19%
Aroundtown 4.5% 2025	1.19%
Vodafone 4.2% 2027	1.15%
CBA 2.688% 2030	1.15%
Nordea Bank 0.5% 2027	1.15%
Alphabet 0.8% 2027	1.13%
Masco 2% 2030	1.13%
United Utilities 0.875% 2029	1.10%
Holcim 0.625% 2030	1.09%
AT&T 1.65% 2028	1.06%

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

Current Asset Allocation

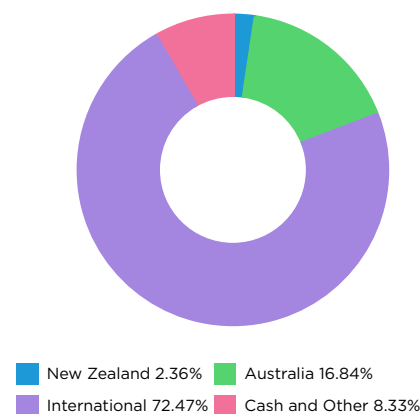
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	8.33%	5.00%
New Zealand Fixed Interest	0.87%	0%
International Fixed Interest	90.80%	95.00%
New Zealand Equities	0.00%	0%
Australian Equities	0.00%	0%
International Equities	0.00%	0%
Other	0.00%	0%

The actual cash held by the Fund is 6.25%. 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	30.14%
Communication Services	12.32%
Information Technology	8.55%
Real Estate	8.53%
Industrials	8.43%
Consumer Discretionary	6.74%
Materials	5.84%
Health Care	4.24%
Energy	2.59%
Consumer Staples	2.47%
Utilities	1.65%
Government	0.17%
Cash and Other	8.33%

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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