

Global Corporate Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 April 2023



Portfolio Managers



Paul Morris
Portfolio Manager



Ian Robertson
Co-Portfolio Manager

The Fund returned 1.1% in the month which was in line with its benchmark. Bond returns were predominantly from earning what are historically attractive yields as market interest rates were generally unchanged, consolidating the recent move lower. Performance also benefitted from a recovery in many of those corporate bonds which had been most negatively impacted by the March mini banking crisis, notably the Fund's subordinated bank bonds.

The Fund reduced the extent of its below benchmark exposure to interest rates during the month primarily by adding back US dollar exposure. Aggregate interest rate exposure however still remains slightly below benchmark. While market interest rates are closer to fair value, we remain wary that inflation could prove stubbornly high. Hence risks over the near term remain skewed to higher interest rates, especially as markets are now pricing in a high probability of rate cuts from many key central banks later this year.

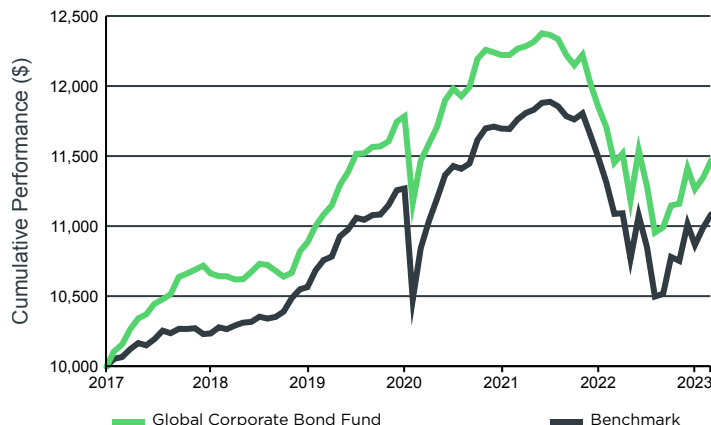
The Fund also retains a below benchmark exposure to credit spreads (the extra yield relative to government bonds). Although we remain constructive on the outlook for corporate bonds, we remain defensively positioned on expectations more material corporate bond issuance will come in May, after companies report. We also perceive that valuations in certain parts of the market do not adequately reflect the risk from weaker earnings in a potential economic slowdown. Within these settings we continue to rotate capital by trimming more expensive holdings in favour of more attractive opportunities. During the month, the Fund topped up exposure to Coca-Cola Europacific Partners and participated in new bonds from Sydney Airport (in Euros) and a subordinated bond from French telco Orange.

Looking forward, near term we anticipate ongoing volatility remains likely as central banks attempt to bring inflation within their respective target ranges. This in turn will impact the economic, earnings, and credit cycles. All that said, medium-term absolute global corporate bond returns look attractive on an absolute basis given prevailing yields should cushion against all but extremely higher market interest rates. We also believe they should offer a better risk adjusted return outlook than government bonds over time.

To view Milford's April 2023 Market and Economic Review please see milfordasset.com/insights.

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)	\$430.8 M
Yield²	6.04%
Average Credit Rating	BBB
Duration	3.33 years
Rating Categories	Inv.Grade 74% / High Yield 12%
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 April 2023

Investment Performance after fees as at 30 April 2023⁵

Unit Price: \$0.997

	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)	1.08%	0.49%	0.15%	0.01%	1.51%	2.22%
After Tax 10.50%	0.99%	0.46%	0.17%	0.02%	1.36%	1.99%
After Tax 17.50%	0.93%	0.43%	0.18%	0.03%	1.26%	1.84%
After Tax 28.00%	0.84%	0.39%	0.20%	0.04%	1.10%	1.61%
Benchmark	0.86%	0.64%	-0.03%	0.74%	1.55%	1.66%

Top Fixed Interest Holdings

Holdings	% of Fund
John Deere 1.75% 2024	2.40%
NBS 5.35% 2028	2.27%
JPMorgan 1.578% 2027	2.23%
NatWest 7.416% 2033	2.15%
Vodafone 3.75% 2034	2.08%
NBS 6.178% 2027	1.97%
CBA 5.398% 2027	1.96%
HCA 5.875% 2026	1.93%
Berry 5.5% 2028	1.89%
ANZ 2.166% 2025	1.80%
Magallanes 3.755% 2027	1.78%
DR Horton 2.6% 2025	1.78%
American Tower 3.8% 2029	1.78%
Asciano 4.75% 2028	1.76%
Goodman 1.375% 2025	1.74%
Lennar 4.5% 2024	1.72%
GE 5.857% 2030	1.69%
Oracle 2.95% 2030	1.63%
SBA Comms. 3.125% 2029	1.63%
Lennar 5.875% 2024	1.55%

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

Current Asset Allocation

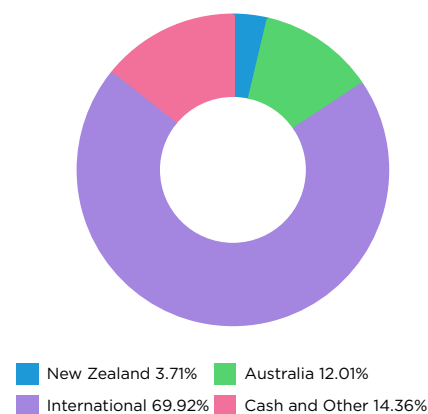
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	14.36%	5%
New Zealand Fixed Interest	0.01%	0.0%
International Fixed Interest	85.63%	95.0%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

The actual cash held by the Fund is 7.38%. 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	35.65%
Communication Services	9.41%
Consumer Discretionary	8.61%
Industrials	6.30%
Materials	6.24%
Information Technology	5.45%
Real Estate	5.09%
Health Care	3.54%
Other Sectors	5.35%
Cash and Other	14.36%

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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