

Global Corporate Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 August 2021



Portfolio Managers



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Portfolio Manager



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Fixed income markets had another mixed month in August. Government bond yields generally moved higher (bond prices lower) with the notable exception of Australia. The US led the way with 10-year yields closing higher than the previous month for the first time since March 2021, driven in part by strong employment data which showed a substantial fall in the US unemployment rate. Corporate bond markets were more mixed, with a material outperformance in the US high yield market.

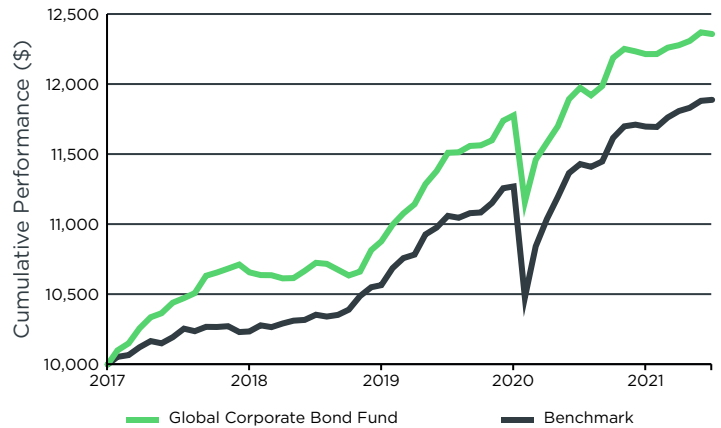
The Fund returned -0.1% over the month and underperformed its benchmark in part due to its below neutral allocation to the lower rated parts of the US high yield market. The Fund was active in primary markets where it bought bonds in new issues from companies including Barclays (UK bank) and Thermal Fisher (US healthcare).

Looking forward, we remain constructive on corporate bonds as global economic growth continues to underpin company balance sheets. Nonetheless, the Fund reduced its exposure to longer-dated corporate bonds as ongoing risks from the virus and the potential reduction of monetary and fiscal stimulus could result in higher market volatility. The Fund maintains below neutral allocation to the weakest parts of the high yield market and below neutral interest rate positioning to cushion against the potential impact a move higher in interest rates may have on bond returns.

To view Milford's September 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	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)	\$765.6 M
Yield²	1.64%
Average Credit Rating	BBB+
Duration	3.24 years
Rating Categories	Inv.Grade 71% / 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%





Global Corporate Bond Fund as at 31 August 2021

Investment Performance after fees as at 31 August 2021⁵

Unit Price: \$1.1114

	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)	-0.10%	0.65%	3.20%	4.83%	-	4.74%
After Tax 10.50%	-0.09%	0.58%	2.86%	4.32%	-	4.24%
After Tax 17.50%	-0.08%	0.54%	2.64%	3.98%	-	3.90%
After Tax 28.00%	-0.07%	0.47%	2.30%	3.47%	-	3.40%
Benchmark	0.06%	0.68%	4.01%	4.71%	-	3.85%

Top Fixed Interest Holdings

Holdings	% of Fund
Becton Dickinson Euro 0.334% 2028	1.68%
Danaher Corp 0.45% 2028	1.62%
NXP BV 4.3% 2029	1.51%
McDonald's 3% 2024	1.48%
Scentre Group 4.75% 2080	1.45%
Crown Euro. 3.375% 2025	1.43%
John Deere 1.75% 2024	1.41%
John Deere 0.70% 2026	1.38%
Bank of America 1.898% 2031	1.37%
Vantage Towers 0.75% 2030	1.34%
Seagate 4.091% 2029	1.33%
Apple 1.4% 2028	1.30%
Alphabet 0.8% 2027	1.28%
Aroundtown 4.5% 2025	1.25%
United Utilities 0.875% 2029	1.25%
Vodafone 4.2% 2027	1.22%
AT&T 1.65% 2028	1.21%
UBS 6.875% Perpetual	1.15%
AT&T 1.25% 2031	1.14%
Thermo Fisher 0.5% 2028	1.12%

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

Current Asset Allocation

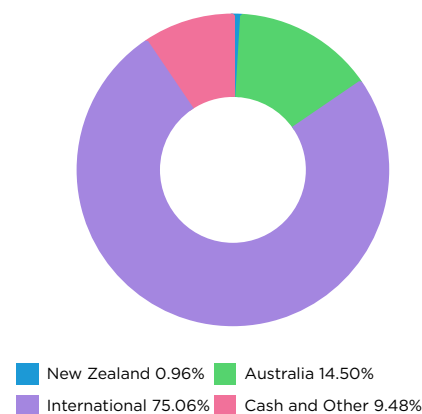
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	7.85%	5%
New Zealand Fixed Interest	0.96%	0%
International Fixed Interest	89.56%	95.00%
New Zealand Equities	0.00%	0%
Australian Equities	0.00%	0%
International Equities	0.00%	0%
Other	1.63%	0%

The actual cash held by the Fund is 5.46%. 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	22.29%
Communication Services	13.39%
Information Technology	11.03%
Real Estate	8.79%
Consumer Discretionary	7.94%
Materials	7.63%
Health Care	6.50%
Industrials	5.44%
Energy	2.52%
Consumer Staples	2.10%
Utilities	1.87%
Government	1.02%
Cash and Other	9.48%

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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