

Global Corporate Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 28 February 2022



Portfolio Managers



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Portfolio Manager



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Despite a deteriorating geopolitical situation in Ukraine, government bond yields ended the month higher (prices lower) as central banks around the world signalled ever more aggressive actions to combat inflation. As widely expected, the Bank of England raised its bank rate by 0.25% to 0.5%, but there was strong support to raise by 0.5% and they surprised markets by announcing that they will sell their corporate bond holdings. The European Central Bank kept rates on hold, but unlike the previous meeting, they left the door open to rate hikes in 2022 which could mean the end of asset price purchases (including corporate bonds). Closer to home, the Reserve Bank of New Zealand raised the Official Cash Rate (OCR) by 0.25% to 1.00%, announced a plan to sell their government bond holdings, and said that the OCR may go materially higher than previously forecast with higher than 0.25% interest rate hikes possible along the way.

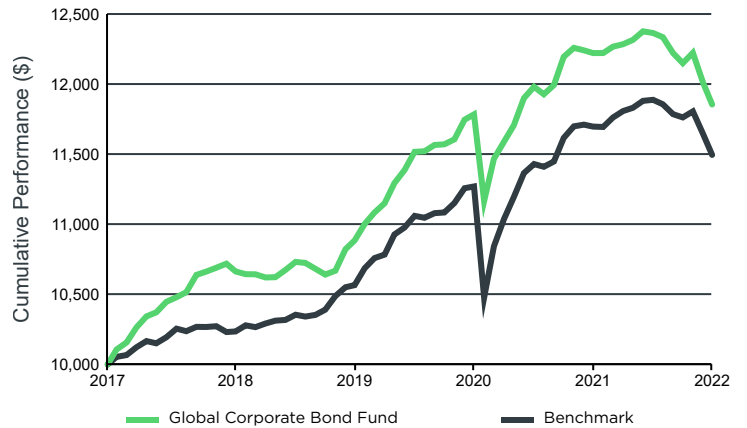
Corporate bonds had a weak month, with Europe and the UK underperforming. The Fund returned -1.3% in the month, which was slightly higher than its benchmark due in part to the Fund's underweight in European corporate bonds. In primary markets, the Fund bought bonds in new issues from ANZ Bank NZ (in USD), National Australia Bank, and Mastercard while in secondary markets it sold bonds in a number of companies including bonds that had outperformed from Mirvac Group (Australian REIT), Credit Agricole (French bank), and Berry Group (US packaging).

Looking forward, geopolitical events in Ukraine may further add to global inflation pressures and could have implications for economic growth. Central banks across the world have an increasingly complicated path to navigate and volatility in fixed income markets is likely to remain elevated. Nonetheless, the economic growth outlook remains resilient for now and company balance sheets are healthy. The Fund maintains lower than benchmark exposure to European corporate bonds and below neutral interest rate exposure to the US where we think the risk of higher yields is not reflected in bond prices.

To view Milford's March 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)	\$584.5 M
Yield²	3.44%
Average Credit Rating	BBB
Duration	3.31 years
Rating Categories	Inv.Grade 67% / High Yield 20%
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; align-items: center; margin-top: 5px;"> Potentially lower returns Potentially higher returns </div>



Global Corporate Bond Fund as at 28 February 2022

Investment Performance after fees as at 28 February 2022⁵

Unit Price: \$1.0568

	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)	-1.30%	-2.43%	-3.00%	2.88%	3.24%	3.41%
After Tax 10.50%	-1.18%	-2.18%	-2.71%	2.58%	2.90%	3.04%
After Tax 17.50%	-1.09%	-2.02%	-2.51%	2.37%	2.67%	2.80%
After Tax 28.00%	-0.97%	-1.77%	-2.21%	2.07%	2.32%	2.44%
Benchmark	-1.29%	-2.28%	-1.73%	2.85%	2.71%	2.78%

Top Fixed Interest Holdings

Holdings	% of Fund
Becton Dickinson Euro 0.334% 2028	2.05%
BNZ 2.285% 2027	2.00%
Danaher Corp 0.45% 2028	1.98%
McDonald's 3% 2024	1.94%
NXP BV 4.3% 2029	1.90%
John Deere 1.75% 2024	1.83%
John Deere 0.70% 2026	1.80%
Morgan Stanley 2.475% 2028	1.74%
Seagate 4.091% 2029	1.66%
Alphabet 0.8% 2027	1.65%
Aroundtown 4.5% 2025	1.62%
JPMorgan 1.578% 2027	1.59%
AT&T 1.65% 2028	1.55%
UBS 6.875% Perpetual	1.49%
CIBC Float 2023	1.40%
CNH Industrial 2.1% 2022	1.40%
HCA 5.875% 2026	1.37%
RBLN 2.75% 2024	1.35%
NAB 1.699% 2031	1.35%
Asciano 4.75% 2028	1.33%

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

Current Asset Allocation

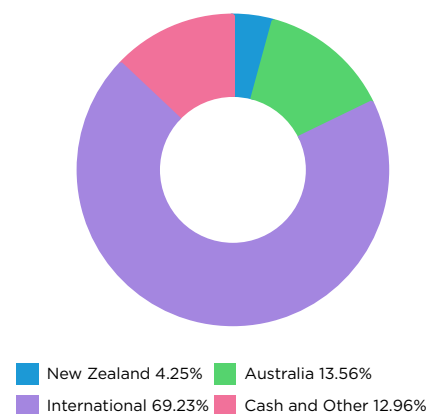
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	12.44%	5.0%
New Zealand Fixed Interest	0.99%	0.0%
International Fixed Interest	86.05%	95.0%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	0.52%	0.0%

The actual cash held by the Fund is 9.84%. 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	24.20%
Communication Services	12.81%
Information Technology	11.35%
Real Estate	8.03%
Consumer Discretionary	8.02%
Industrials	7.97%
Health Care	5.48%
Materials	5.12%
Other Sectors	4.06%
Cash and Other	12.96%

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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