

Global Corporate Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 March 2021



Portfolio Managers



Paul Morris
Portfolio Manager



Ian Robertson
Co-Portfolio Manager

Global bond markets had a mixed March, led by higher US government bond yields, as markets continue to price higher inflation. Optimism for economic growth was the key driver which contributed to a constructive month for risk assets. Corporate bonds generally outperformed government bonds (yields rising less), despite high bond issuance.

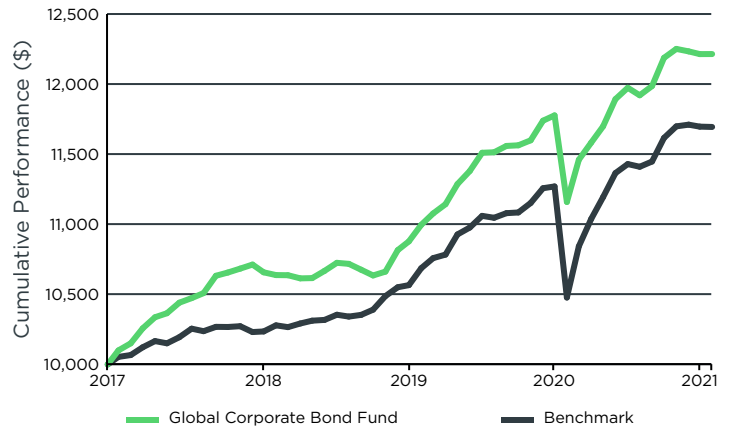
Once again, the Fund's lower than neutral interest rate exposure offset some of the impact on returns from higher yields, and Fund performance was flat in the month. During the month, we sold some Australian dollar corporate bonds to buy European and US dollar alternatives where near term supply and demand dynamics appear more favourable. The Fund remains positioned for the risk of higher yields, retaining below neutral interest rate exposure. This is focused in the US where expected fiscal stimulus is likely to keep yield risk skewed to the upside. We may take profit on this below neutral interest rate exposure should upside yield risks moderate.

In the near-term, we are still constructive on corporate bonds relative to government bonds as (i) the growth outlook should support company balance sheets and (ii) heading into earnings season bond issuance has historically been lower. We will continue to actively optimise the Fund's corporate bond exposure across different markets. Relative to neutral we remain overweight to investment grade bonds and maintain a preference for the subordinated bonds of investment grade corporates (including banks) over the weaker parts of the high-yield market which do not offer sufficiently high incremental returns.

To view Milford's April 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)	\$830.8 M
Yield²	1.76%
Average Credit Rating	BBB
Duration	3.09 years
Rating Categories	Inv. Grade 77% / 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 31 March 2021

Investment Performance after fees as at 31 March 2021⁵

Unit Price: \$1.1031

	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)	0.00%	-0.30%	9.45%	4.71%	-	4.94%
After Tax 10.50%	0.00%	-0.27%	8.44%	4.21%	-	4.41%
After Tax 17.50%	0.00%	-0.25%	7.76%	3.88%	-	4.06%
After Tax 28.00%	0.00%	-0.22%	6.76%	3.38%	-	3.54%
Benchmark	-0.02%	-0.04%	11.61%	4.39%	-	3.83%

Top Fixed Interest Holdings

Holdings	% of Fund
Seagate 4.091% 2029	1.55%
Kerry Group 0.625% 2029	1.53%
American Tower 3.8% 2029	1.51%
Danaher Corp 0.45% 2028	1.47%
McDonald's 3% 2024	1.44%
Verizon 0.75% 2032	1.41%
NXP BV 4.3% 2029	1.37%
John Deere 1.75% 2024	1.36%
Macquarie 3.052% 2036	1.32%
John Deere 0.70% 2026	1.26%
Crown Castle 2.25% 2031	1.24%
Bank of America 1.898% 2031	1.22%
Aroundtown 4.5% 2025	1.21%
Vantage Towers 0.75% 2030	1.21%
CBA 2.688% 2031	1.17%
Masco 2% 2030	1.16%
Vodafone 4.2% 2027	1.16%
Alphabet 0.8% 2027	1.16%
Nordea Bank 0.5% 2027	1.16%
United Utilities 0.875% 2029	1.13%

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

Current Asset Allocation

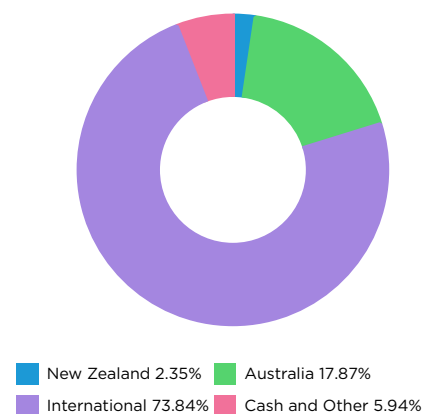
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	5.94%	5.00%
New Zealand Fixed Interest	0.86%	0%
International Fixed Interest	93.20%	95.00%
New Zealand Equities	0.00%	0%
Australian Equities	0.00%	0%
International Equities	0.00%	0%
Other	0.00%	0%

The actual cash held by the Fund is 4.08%. 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	29.61%
Communication Services	13.71%
Real Estate	9.10%
Information Technology	8.89%
Industrials	8.46%
Consumer Discretionary	6.80%
Materials	5.86%
Health Care	4.24%
Utilities	2.96%
Consumer Staples	2.48%
Energy	1.64%
Government	0.31%
Cash and Other	5.94%

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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