

Global Corporate Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 March 2022



Portfolio Managers



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Portfolio Manager



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Co-Portfolio Manager

March was another tough month for fixed income markets. Government bond yields moved aggressively higher (prices lower) as markets continue to adjust to ever higher inflation and the prospect of more aggressive central bank action. In the US, the Federal Reserve raised its benchmark interest rate by 0.25% and provided updated forecasts which suggested a willingness to raise rates faster than they had previously indicated. The European Central Bank kept interest rates on hold but indicated that they would tighten monetary policy faster than previously expected. Conversely, the Bank of England raised the Bank Rate by 0.25% but emphasised downside risks from the potential squeeze in household incomes from higher inflation.

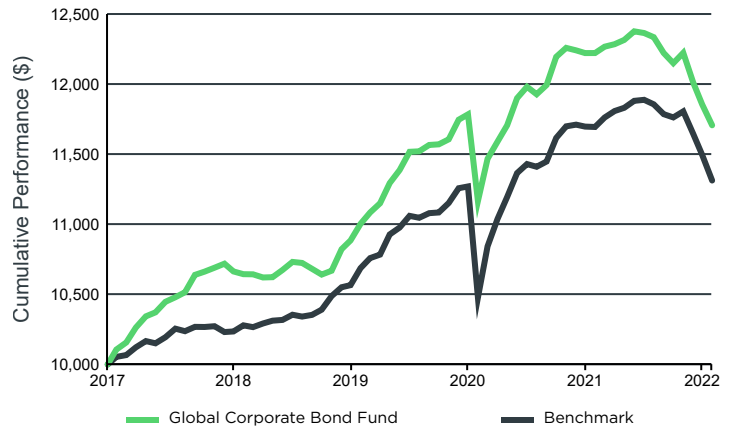
Corporates bonds had a weak start but recovered during the month to outperform government bonds. The Fund returned -1.3% over the month, which was 0.3% higher than its benchmark due in part to the Fund's below neutral exposure to US interest rates and the relative outperformance in the subordinated bonds of investment grade corporates and banks. The Fund was active in primary markets where it bought bonds in new issues from companies including two inaugural issuers Magallanes (US media) and Haleon (global healthcare).

Looking forward, uncertainty remains elevated as events in Ukraine continue to unfold and inflationary pressures remain high. Volatility in fixed income markets is likely to remain elevated but corporate bond valuations have improved and may get some respite as April is typically a seasonably quieter market in new issue supply. The Fund remains slightly below neutral interest rate exposure to the US but has further reduced this position in the latest move higher in rates. The Fund maintains above neutral exposure to credit comprised of Australian, US and UK corporate bonds which are partially offset by below neutral exposure to European corporate bonds.

To view Milford's April 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)	\$550.8 M
Yield²	3.99%
Average Credit Rating	BBB
Duration	3.44 years
Rating Categories	Inv.Grade 67% / 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%
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 31 March 2022

Investment Performance after fees as at 31 March 2022⁵

Unit Price: \$1.039

	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)	-1.25%	-4.23%	-4.22%	2.09%	2.88%	3.10%
After Tax 10.50%	-1.12%	-3.81%	-3.80%	1.86%	2.57%	2.77%
After Tax 17.50%	-1.03%	-3.54%	-3.52%	1.72%	2.37%	2.55%
After Tax 28.00%	-0.90%	-3.12%	-3.10%	1.49%	2.07%	2.22%
Benchmark	-1.59%	-4.18%	-3.27%	1.91%	2.36%	2.42%

Top Fixed Interest Holdings

Holdings	% of Fund
Becton Dickinson Euro 0.334% 2028	2.05%
McDonald's 3% 2024	2.05%
BNZ 2.285% 2027	2.00%
Danaher Corp 0.45% 2028	1.99%
John Deere 1.75% 2024	1.92%
NXP BV 4.3% 2029	1.91%
John Deere 0.70% 2026	1.82%
Aroundtown 4.5% 2025	1.70%
JPMorgan 1.578% 2027	1.60%
AT&T 1.65% 2028	1.55%
UBS 6.875% Perpetual	1.54%
HCA 5.875% 2026	1.40%
RBLN 2.75% 2024	1.38%
Toronto Dominion Bank 2.875% 2027	1.37%
NAB 1.699% 2031	1.34%
Infineon Technologies 1.625% 2029	1.32%
CBA 2.552% 2027	1.32%
Goodman 1.375% 2025	1.32%
Magallanes 3.755% 2027	1.31%
American Tower 3.8% 2029	1.31%

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

Current Asset Allocation

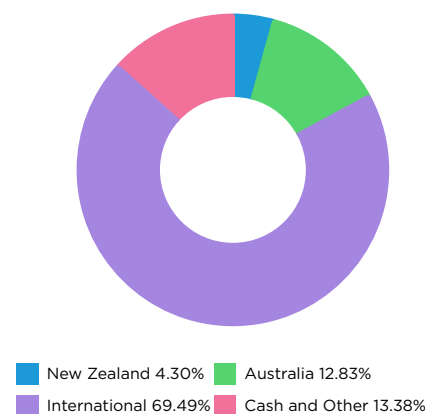
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	12.92%	5.0%
New Zealand Fixed Interest	1.02%	0.0%
International Fixed Interest	85.60%	95.0%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	0.46%	0.0%

The actual cash held by the Fund is 10.08%. 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	24.41%
Communication Services	13.66%
Information Technology	10.97%
Consumer Discretionary	8.20%
Real Estate	7.65%
Industrials	6.69%
Health Care	6.57%
Materials	4.55%
Other Sectors	3.92%
Cash and Other	13.38%

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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