

# Global Corporate Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 November 2020



## Portfolio Managers



**Paul Morris**  
Portfolio Manager



**Ian Robertson**  
Co-Portfolio Manager

The Fund posted a return of 1.7% in November, broadly in line with its benchmark. While government bond yields were higher (prices lower), the Fund benefitted from its exposure to corporate bonds. Corporate bonds outperformed governments as promising announcements from COVID-19 vaccine trials and a more benign outcome from the US election supported market sentiment.

The Fund's performance was close to its benchmark despite a small underweight to high yield (HY) bonds which performed particularly strongly on the improving outlook. The Fund took profit on some of its low-risk investment grade (IG) bonds where we saw less upside, however, it retains an overweight exposure to IG. Amongst others, the Fund participated in new IG issuance from Verizon (US telco).

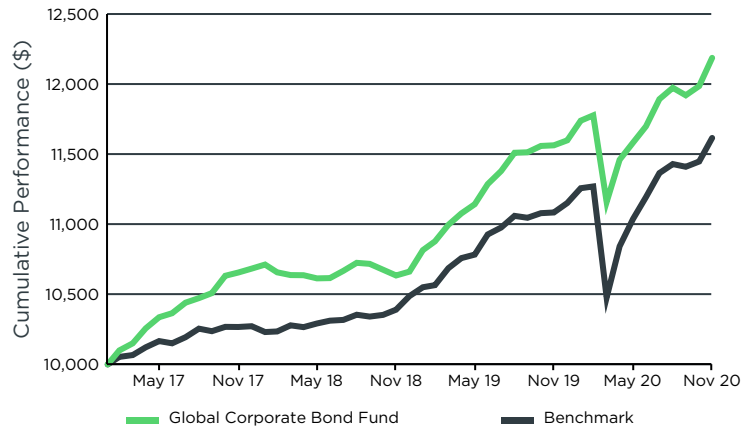
We continue to see value in the subordinated bonds of IG corporates and better capitalised banks and also participated in subordinated issuance from Natwest (UK bank) and Ampol (Australian fuel & service stations), as well as BP plc in the secondary market.

Looking forward, while valuations cannot be considered cheap; monetary and fiscal policy support, combined with lower levels of issuance, should help deliver moderate medium-term corporate bond returns.

To view Milford's December 2020 Market and Economic Review please see [milfordasset.com/fact-sheet](http://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

<b>Objective<sup>1</sup></b>	Protect capital and generate a positive NZD-hedged return that exceeds the relevant benchmark over a minimum of three years
<b>Description</b>	Primarily invests in global corporate fixed interest securities
<b>Target Allocation</b>	100% Income Assets / 0% Growth Assets
<b>Neutral FX Exposure</b>	0%
<b>Net Asset Value (NAV)</b>	\$808.2 M
<b>Yield<sup>2</sup></b>	1.71%
<b>Unit Pricing</b>	Swing pricing applies (see PDS for details)
<b>Average Credit Rating</b>	BBB+
<b>Duration</b>	3.28 years
<b>Rating Categories</b>	Inv. Grade 75% / High Yield 17% / Unrated 1%
<b>Inception Date</b>	1 February 2017
<b>Current Distribution</b>	0.45 cents per unit (Quarterly)
<b>Benchmark</b>	Bloomberg Barclays Global Corporate 3-5 Year Total Return Index Value Hedged USD (100% NZD-hedged)
<b>Base Fund Fee<sup>3</sup></b>	0.85%
<b>Performance Fee</b>	Not applicable
<b>Total Fund Fees<sup>4</sup></b>	0.85%



# Global Corporate Bond Fund as at 30 November 2020

## Investment Performance after fees as at 30 November 2020<sup>5</sup>

Unit Price: \$1.1097

	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)	1.68%	1.78%	5.39%	4.58%	-	5.31%
After Tax 10.50%	1.51%	1.59%	4.84%	4.09%	-	4.75%
After Tax 17.50%	1.40%	1.47%	4.47%	3.77%	-	4.37%
After Tax 28.00%	1.24%	1.28%	3.91%	3.29%	-	3.81%
Benchmark	1.47%	1.63%	4.80%	4.20%	-	3.99%

## Top Fixed Interest Holdings

Holdings	% of Fund's NAV
Seagate 4.091% 2029	1.73%
American Tower 3.8% 2029	1.65%
Kerry Group 0.625% 2029	1.64%
Danaher Corp 0.45% 2028	1.56%
Scentre Group 5.125% 2080	1.56%
NXP BV 4.3% 2029	1.48%
McDonald's 3% 2024	1.46%
NAB Float 18/11/2030	1.40%
Crown Castle 2.25% 2031	1.38%
John Deere 1.75% 2024	1.36%
Bank of America 1.898% 2031	1.34%
Masco 2% 2030	1.26%
Alphabet Inc 0.8% 2027	1.23%
Vodafone Group 4.2% 2027	1.21%
Nordea Bank 0.5% 2027	1.21%
Aroundtown 4.5% 2025	1.19%
AT&T 1.65% 2028	1.17%
Woolworths 2.8% 2030	1.16%
AusNet Float 2080	1.07%
Belfius Bank 0.375% 2026	1.07%

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

## Current Asset Allocation

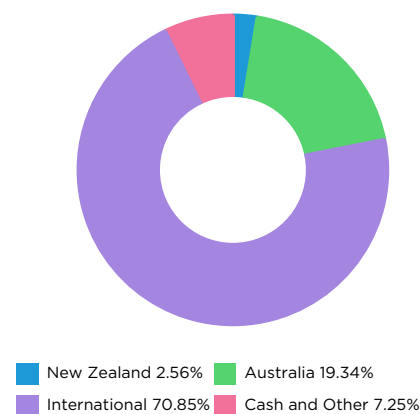
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	2.44%	5.00%
New Zealand Fixed Interest	1.34%	0%
International Fixed Interest	91.41%	95.00%
New Zealand Equities	0.00%	0%
Australian Equities	0.00%	0%
International Equities	0.00%	0%
Other	4.81%	0%

# The actual cash held by the Fund is 0.02%. 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	29.53%
Communication Services	12.55%
Information Technology	9.58%
Consumer Discretionary	8.89%
Real Estate	8.13%
Cash and Other	7.25%
Industrials	6.74%
Materials	4.81%
Health Care	3.86%
Consumer Staples	3.85%
Utilities	2.80%
Energy	2.06%

## 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](http://milfordasset.com/fact-sheet) for more information about the data published within this document.

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