

Global Corporate Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 November 2021



Portfolio Managers



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Portfolio Manager



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Co-Portfolio Manager

Volatility remained high in fixed income as bond markets grappled with ongoing inflation pressures and increasing expectations of monetary policy tightening. The emergence of the new Omicron Covid-19 variant caused a surge in government bond buying which ultimately pushed bond yields lower in the month (prices higher). Corporate bonds generally had a weak month, underperforming government bonds, as investor appetite weakened in the face of ongoing interest rate volatility, elevated new issuance supply, and the Covid-19 uncertainty. Australasian corporate bonds bucked the trend with a more constructive month, benefitting from lower interest rate volatility in local markets following a turbulent month in October.

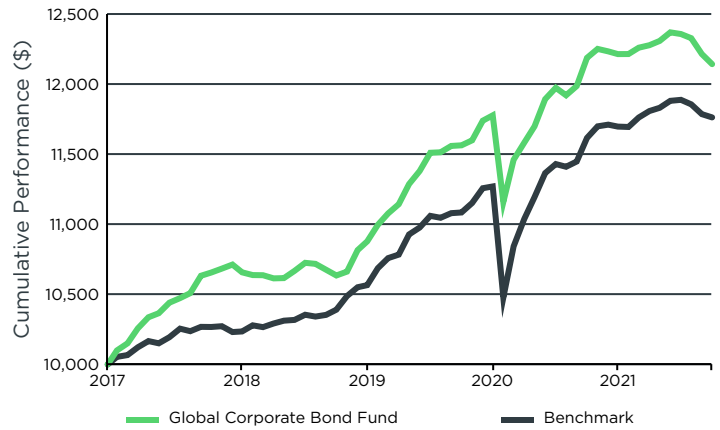
The Fund returned -0.6% in the month, which was 0.4% lower than its benchmark due in part to the Fund's overweight in European corporate bonds and subordinated financials which underperformed. The Fund was cautious in adding new exposure in primary markets, selectively adding bonds in issuers including NXP (European semiconductors), Deutsche Bank (European financials), and sustainability-linked bonds in Kerry Group (European consumer staples).

Looking forward, volatility is likely to remain elevated as persistently high inflation maintains upward pressure on interest rates and Covid-19 causes ongoing disruption. The Fund maintains a 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 December 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)	\$725.1 M
Yield²	2.85%
Average Credit Rating	BBB
Duration	3.38 years
Rating Categories	Inv.Grade 68% / High Yield 22%
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 1 2 3 4 5 6 7 Higher risk </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 30 November 2021

Investment Performance after fees as at 30 November 2021⁵

Unit Price: \$1.0876

	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)	-0.59%	-1.74%	-0.37%	4.52%	-	4.11%
After Tax 10.50%	-0.54%	-1.57%	-0.34%	4.03%	-	3.68%
After Tax 17.50%	-0.51%	-1.45%	-0.32%	3.71%	-	3.38%
After Tax 28.00%	-0.46%	-1.28%	-0.29%	3.24%	-	2.95%
Benchmark	-0.20%	-1.05%	1.26%	4.22%	-	3.42%

Top Fixed Interest Holdings

Holdings	% of Fund
Credit Agricole 6.875% Perpetual	1.79%
Becton Dickinson Euro 0.334% 2028	1.73%
Danaher Corp 0.45% 2028	1.66%
NXP BV 4.3% 2029	1.63%
McDonald's 3% 2024	1.56%
Thermo Fisher 0.8% 2030	1.50%
John Deere 0.70% 2026	1.49%
Crown Euro. 3.375% 2025	1.46%
John Deere 1.75% 2024	1.45%
Seagate 4.091% 2029	1.43%
Alphabet 0.8% 2027	1.37%
AT&T 1.65% 2028	1.29%
Aroundtown 4.5% 2025	1.28%
Vodafone 4.2% 2027	1.25%
UBS 6.875% Perpetual	1.24%
Scentre Group 4.75% 2080	1.24%
Berry 5.625% 2027	1.18%
HCA 5.875% 2026	1.16%
Santos 5.25% 2029	1.15%
Thermo Fisher 0.5% 2028	1.15%

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

Current Asset Allocation

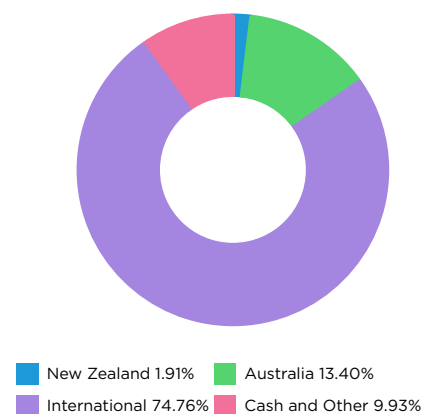
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	9.93%	5%
New Zealand Fixed Interest	1.91%	0%
International Fixed Interest	88.16%	95.00%
New Zealand Equities	0.00%	0%
Australian Equities	0.00%	0%
International Equities	0.00%	0%
Other	0.00%	0%

The actual cash held by the Fund is 7.76%. 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	19.60%
Communication Services	14.14%
Information Technology	11.36%
Materials	9.79%
Real Estate	7.76%
Health Care	7.22%
Industrials	6.78%
Consumer Discretionary	6.55%
Consumer Staples	4.16%
Energy	2.63%
Utilities	0.06%
Government	0.02%
Cash and Other	9.93%

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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