

# Global Corporate Bond Fund

## Portfolio Investment Entity

### Monthly Fact Sheet as at 30 November 2023



### Portfolio Managers



**Anthony Ip**  
Portfolio Manager



**Ian Robertson**  
Co-Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

November remained a volatile month for global interest rates. During the month, bond yields reversed much of their recent march higher. This supported a Fund return of 2.8%, which was in line with the benchmark.

We entered the month with a moderate underweight exposure to credit spreads versus the benchmark. While this provided a buffer for Fund performance during the previous months' volatility, this was a drag on Fund performance in November as global credit spreads (the extra yield of corporate bonds versus government bonds) tightened in response to the increased expectation of a so-called soft economic landing.

The Fund had an active month, adding high-quality corporate exposure in the new issue market at attractive valuations. Examples of this include new investments in Thermo Fisher Scientific (scientific instruments) in the US dollar market, and KBC (Belgian bank) and McDonald's Corporation in the Euro market. The Fund also benefited from a continued improvement in the subordinated bank bond market. The Fund added to its exposure in subordinated bank bonds by participating in the new issuances from UBS Group (Swiss bank) and Virgin Money (UK bank), which provide the Fund with attractive levels of yield. These investments have reduced the Fund's underweight exposure to corporate bonds.

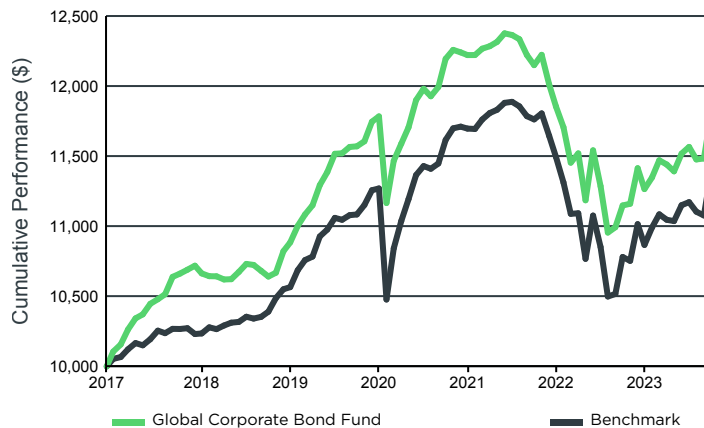
In the immediate term, the Fund intends to continue to reduce the size of its underweight exposure to corporate bonds, while maintaining a moderately underweight interest rate exposure. Going forward, we expect higher global government bond yields and credit spreads to provide an attractive income yield. Historically elevated market yields should underpin an attractive return profile for the Fund.

To view Milford's November 2023 Market and Economic Review please see [milfordasset.com/insights](https://milfordasset.com/insights).

For previous fund reports see [milfordasset.com/fund-reports](https://milfordasset.com/fund-reports).

### 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>	To protect capital and generate a positive NZD hedged return that exceeds the relevant benchmark over the minimum recommended investment timeframe.
<b>Description</b>	Primarily invests in global corporate fixed interest securities
<b>Minimum recommended investment timeframe</b>	3 years +
<b>Target Allocation</b>	100% Income Assets / 0% Growth Assets
<b>Neutral FX Exposure</b>	0%
<b>Net Asset Value (NAV)</b>	\$447.7 M
<b>Yield<sup>2</sup></b>	5.05%
<b>Average Credit Rating</b>	BBB
<b>Duration</b>	3.25 years
<b>Rating Categories</b>	Inv.Grade 73% / High Yield 14%
<b>Inception Date</b>	1 February 2017
<b>Current Distribution</b>	0.85 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 2023

## Investment Performance after fees as at 30 November 2023<sup>5</sup>

Unit Price: \$1.0111

	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)	2.76%	2.02%	5.85%	-1.09%	2.09%	2.45%
After Tax 10.50%	2.45%	1.80%	5.24%	-0.97%	1.87%	2.20%
After Tax 17.50%	2.25%	1.65%	4.83%	-0.89%	1.73%	2.03%
After Tax 28.00%	1.95%	1.43%	4.23%	-0.78%	1.51%	1.77%
Benchmark	2.80%	1.92%	5.62%	-0.66%	1.85%	1.92%

## Top Fixed Interest Holdings

Holdings	% of Fund
JPMorgan 1.578% 2027	2.16%
Toll Brother 4.35% 2028	2.09%
GEHC 5.857% 2030	1.96%
NBS 6.178% 2027	1.95%
HCA 5.875% 2026	1.84%
Berry 5.5% 2028	1.80%
Vodafone 3.00% 2080	1.79%
Santos 5.25% 2029	1.74%
Goodman 1.375% 2025	1.69%
American Tower 3.8% 2029	1.68%
Asciano 4.75% 2028	1.67%
JPMorgan 4.457% 2031	1.62%
Discovery 3.625% 2030	1.60%
SBA Comms. 3.125% 2029	1.59%
Fiserv 4.5% 2031	1.53%
CYBG 9.25% Perpetual	1.46%
Thermo Fisher 5% 2029	1.45%
VMware 2.2% 2031	1.45%
NBS 5.35% 2028	1.43%
JPMorgan 4.6% Perpetual	1.41%

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

## Current Asset Allocation

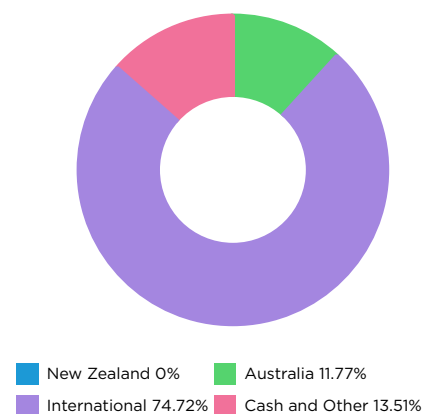
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	10.70%	5%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	86.49%	95.0%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	2.81%	0.0%

# The actual cash held by the Fund is 2.85%. 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	44.48%
Communication Services	9.56%
Materials	6.24%
Real Estate	6.12%
Health Care	5.91%
Information Technology	3.41%
Energy	3.37%
Industrials	2.68%
Other Sectors	4.72%
Cash and Other	13.51%

## Region Exposure



1. After the Base Fund Fee but before tax. 2. The yield to maturity is not an indicator of future return, but reflects the current yield to maturity of the fund's underlying holdings (before tax and after the base fund fee). 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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