

NZ Equities Wholesale Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 29 February 2024



Portfolio Managers



Sam Trethewey
Portfolio Manager



Michael Luke
Co-Portfolio Manager

The Fund fell 0.8% in February as the local market digested a weak corporate earnings season. The Fund return compares to a 1.1% decline for the NZX 50 index.

Fund performance was led by Xero (+14.9%) and Gentrack (+22.0%), while relative performance benefited from a minimal holding in Fletcher Building (-9.3%). Xero held an investor day in Melbourne which we attended. The day highlighted strong progress in product development for its offer in the key UK and US markets, a refreshed management team and confidence in ongoing strong revenue growth. Gentrack continues to deliver strong performance on the back of increasing investor awareness of the growth opportunity ahead of the company. Fletcher Building heavily disappointed the market with a large downgrade to its earnings outlook, and combined this with resignation of both the CEO and Chairman. Elsewhere, we added to our position in Precinct Properties via a large shareholder sell down, and reduced exposure to retirement village operator Summerset following strong share price performance.

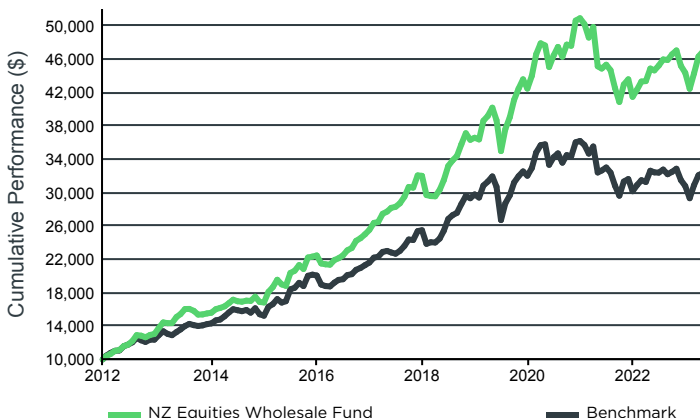
Looking ahead, the economic cycle continues to progress locally, albeit at a glacial pace. The February earnings season highlighted that revenue pressure is impacting the performance of many cyclical companies, as consumer spending slows and cost pressures persist. We remain very cautious of holdings in these companies given the stage of the cycle. Pleasingly, the RBNZ calmed some nerves that interest rates still may have to rise further with a firm "hold" call within its February monetary policy statement. Regardless of the economic backdrop, we continue to find attractive investment opportunities and remain confident in our portfolio companies and their ability to produce attractive, risk-adjusted returns over the medium term.

To view Milford's February 2024 Market and Economic Review please see milfordasset.com/insights.

For previous fund reports see 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.

Key Fund Facts

Objective¹ To provide capital growth by out-performing the relevant share market index over the minimum recommended investment timeframe

Description Primarily invests in Australasian equities

Minimum recommended investment timeframe 8 years +

Target Allocation 2% Income Assets / 98% Growth Assets

Neutral FX Exposure 0%

Net Asset Value (NAV) \$692.0 M

Buy-sell Spread None - swing pricing applies.

Inception Date 6 September 2012

Benchmark S&P/NZX 50 Gross Index

Base Fund Fee² 1.05%

Performance Fee Not applicable

Total Fund Fees³ 1.05%

Risk Indicator

Lower risk Higher risk

1 2 3 4 **5** 6 7

Potentially lower returns Potentially higher returns

NZ Equities Wholesale Fund as at 29 February 2024

Investment Performance after fees as at 29 February 2024 ⁴

Unit Price: \$4.3768

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford NZ Equities Wholesale Fund (Gross Of Tax)	-0.83%	5.08%	4.23%	1.09%	8.13%	14.33%
After Tax 10.50%	-0.85%	5.05%	3.92%	0.86%	7.91%	13.96%
After Tax 17.50%	-0.86%	5.03%	3.72%	0.71%	7.77%	13.71%
After Tax 28.00%	-0.88%	5.01%	3.41%	0.49%	7.55%	13.34%
Benchmark	-1.10%	3.63%	-1.29%	-1.34%	4.71%	10.66%

Top Security Holdings

Holdings	% of Fund
Fisher & Paykel	12.30%
Infratil	12.30%
Auckland Airport	9.16%
Spark	7.75%
Contact Energy	7.52%
Meridian	5.02%
Mainfreight	4.75%
a2 Milk	4.27%
EBOS Group	3.86%
Summerset	3.77%

Current Asset Allocation

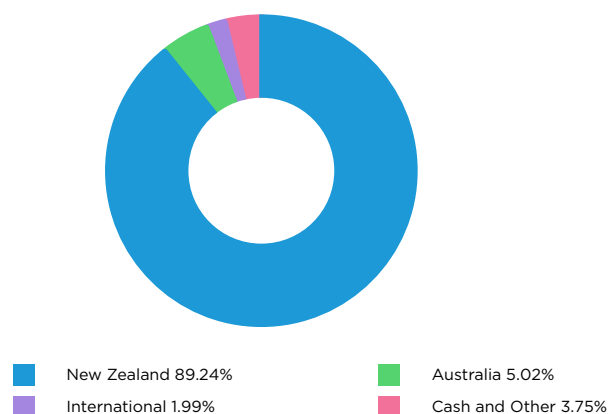
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	3.67%	2%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	91.64%	98%
Australian Equities	4.61%	0.0%
International Equities	0.00%	0.0%
Other	0.08%	0.0%

The actual cash held by the Fund is 3.67%. 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 %
Industrials	28.63%
Health Care	25.04%
Utilities	14.58%
Communication Services	10.54%
Information Technology	7.20%
Consumer Staples	5.06%
Real Estate	2.38%
Consumer Discretionary	2.14%
Other Sectors	0.68%
Cash and Other	3.75%

Region Exposure



1. After the Base Fund Fee but before tax. 2. Where applicable, the Base Fund Fee includes an estimate of non-related underlying fund charges. 3. The Total Fund Fees comprise the Base Fund Fee and any estimated Performance Fee. 4. 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.

Disclaimer: The Milford Fund Fact Sheet has been prepared by Milford Funds Limited. It is based on information believed to be accurate and reliable although no guarantee can be given that this is the case. No reproduction of any material either in part or in full is permitted without prior permission.