

Active Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 June 2022



Portfolio Managers



Jonathan Windust
Portfolio Manager



William Curtaigne
Co-Portfolio Manager

The Fund fell 5.9% in June as share and bond markets fell sharply. The major New Zealand, Australian and global share market indices fell 3.8%, 8.8% and 7.8% respectively. Share markets continue to be impacted by uncertainty due to the war in Ukraine, high inflation, rising interest rates and the economic outlook. A higher-than-expected inflation reading in the US of 8.6% led their central bank to increase interest rates by 0.75% during the month. Higher inflation and interest rates are a major hurdle to share markets, making shares less attractive and slowing economic growth. Higher rates are also a negative for fixed income markets which also fell during the month. Falls in fixed income investments meant the Fund was unable to cushion market falls despite a lower weighting in shares.

Falling share market valuations meant that most companies had a difficult month including those which we believe have attractive risk/return prospects. The best performers during the month were defensive companies including Bristol-Myers Squibb which rose 2.8% for the month. Bristol-Myers is a global pharmaceutical company which develops, manufactures and sells pharmaceutical and nutritional products. We believe Bristol-Myers has a strong portfolio of drugs (including oncology), an attractive pipeline and is attractively valued. During the month the Fund reduced exposure to shares and increased exposure to fixed income securities. We believe select fixed income investments offer attractive yields and have significantly lower risk than shares.

The short-term outlook for shares remains uncertain with headwinds of higher inflation and higher interest rates which are likely to slow medium-term company growth prospects. Share market valuations have generally improved following market falls and now in many cases reflect a more difficult earnings outlook and high levels of uncertainty. Given the uncertain environment the Fund remains more defensively positioned than typical with a lower weight towards shares. The Fund has increased its holdings in fixed income securities which we believe are reflecting the possibility of higher interest rates. The Fund remains active to isolate those companies which we believe have strong risk-adjusted return prospects.

To view Milford's July 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.

Key Fund Facts

Objective¹ To provide annual returns of 10% over the minimum recommended investment timeframe

Description Diversified fund that primarily invests in equities, with a moderate allocation to fixed interest securities

| | |
|---|---|
| Minimum recommended investment timeframe | 7 years + |
| Target Allocation | 22% Income Assets / 78% Growth Assets |
| Neutral FX Exposure | 16.0% |
| Net Asset Value (NAV) | \$2,494.4 M |
| Buy-sell Spread | None - swing pricing applies (See PDS for details) |
| Inception Date | 1 October 2007 |
| Benchmark | 10% p.a. |
| Base Fund Fee² | 1.05% |
| Performance Fee | 15% of the Fund's returns above the Benchmark ¹ , subject to the high watermark. |
| Total Fund Fees³ | 1.20% (includes an est. performance fee) |

| | Lower risk | | | | | | Higher risk |
|-----------------------|---------------------------|---|---|---|----------------------------|---|-------------|
| Risk Indicator | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| | Potentially lower returns | | | | Potentially higher returns | | |

External Ratings



Milford Active Growth Fund received a Morningstar Analyst Rating™ of 'Silver' on 07-07-2020

Active Growth Fund as at 30 June 2022

Investment Performance after fees as at 30 June 2022⁴

Unit Price: \$4.5874

| | 1 Month | 3 Months | 1 year | 3 years (p.a.) | 5 years (p.a.) | Since inception (p.a.) |
|--|---------|----------|--------|----------------|----------------|------------------------|
| Milford Active Growth Fund (Gross Of Tax) | -5.94% | -8.66% | -7.46% | 6.73% | 8.79% | 11.44% |
| After Tax 10.50% | -5.91% | -8.61% | -7.51% | 6.53% | 8.55% | 10.97% |
| After Tax 17.50% | -5.89% | -8.58% | -7.55% | 6.40% | 8.39% | 10.78% |
| After Tax 28.00% | -5.86% | -8.53% | -7.60% | 6.21% | 8.15% | 10.39% |
| Benchmark | 0.79% | 2.40% | 9.99% | 10.0% | 10.0% | 10.0% |

Top Equity Holdings

| Holdings | % of Fund |
|----------------------|-----------|
| Contact Energy | 3.70% |
| JPMorgan | 2.27% |
| Shell | 2.21% |
| Virgin Money | 2.13% |
| CRH | 2.09% |
| Bristol-Myers Squibb | 1.96% |
| Boston Scientific | 1.78% |
| Intuit | 1.76% |
| Natwest | 1.67% |
| HCA Holdings | 1.67% |

Current Asset Allocation

| | Actual Investment Mix | Neutral Investment Mix |
|------------------------------|-----------------------|------------------------|
| Effective Cash # | 21.55% | 6.0% |
| New Zealand Fixed Interest | 3.42% | 2.0% |
| International Fixed Interest | 20.44% | 14.0% |
| New Zealand Equities | 12.12% | 16.0% |
| Australian Equities | 10.89% | 18.0% |
| International Equities | 31.58% | 44.0% |
| Other | 0.00% | 0.0% |

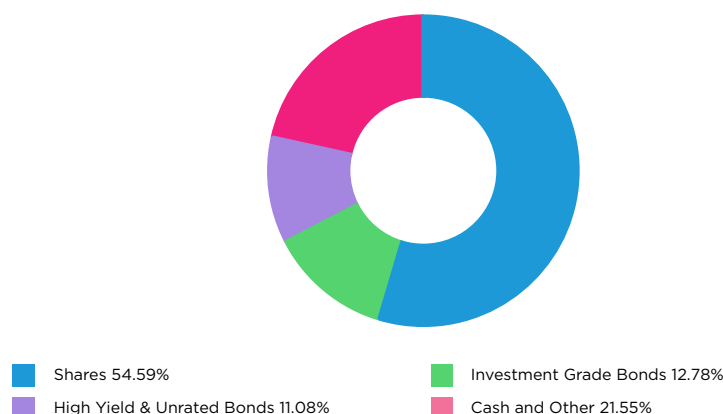
The actual cash held by the Fund is 11.27%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

| Holdings | % of Fund |
|-------------------------------|-----------|
| NatWest 5.125% Perpetual | 1.71% |
| Westpac 5% 2027 | 1.26% |
| ING Groep 4.25% Perpetual | 1.24% |
| Barclays 4.375% Perpetual | 0.97% |
| Scentre Group 5.125% 2080 | 0.96% |
| JPMorgan 5% 2024 | 0.83% |
| Lloyds Bank 5.125% Perpetual | 0.77% |
| BNZ 4.985% 2027 | 0.71% |
| ASB 5.524% 2027 | 0.67% |
| Deutsche Bank 6.75% Perpetual | 0.67% |

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

Fund Portfolio Mix



1. After the base fund fee but before tax and before the performance fee. 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. Please refer to the Product Disclosure Statement for more information as to how these are calculated. 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.

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