

Active Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 August 2020



Portfolio Managers



Jonathan Windust
Portfolio Manager



William Curtayne
Co-Portfolio Manager

The Fund rose 3.1% in August benefitting from the performance of share markets and in particular global shares which were up 6.3%. Shares continue to benefit from strong stimulus from central banks and governments and as investors look for an alternative to very low returns on cash. Strong retail investor demand for high growth shares boosted valuations to very high levels.

Key positives during the month were US software company Salesforce (+39.9%) and Chinese company Alibaba (+14.3%). Salesforce rose following a strong result with revenue rising 29.9%, illustrating strong demand for its products despite an uncertain environment. Alibaba rose following its result where it reported a 34% increase in sales driven by strong eCommerce sales. We believe Alibaba remains well positioned to continue to grow and is reasonably valued. The Fund focus has started to move away from the short-term growth winners to shares that have been left behind and will rebound from an eventual vaccine and recovery in economic activity. A key addition during the month was Spanish airport owner Aena, which has a focus on short-hall traffic, a strong balance sheet and a very attractive valuation that could rebound strongly as investors start to look forward into a post-COVID world.

The short-term outlook for shares is tricky with tailwinds of government stimulus and low interest rates but headwinds of an uncertain economic outlook and valuations that in some cases have started to become extreme. This backdrop may see shares continue to grind higher as investors look to put money to work and chase market returns but it does leave markets susceptible to pull backs. The strategy of the Fund is to remain active and invest in a combination of growth companies which we believe are reasonably priced, and more attractively valued companies including those which offer attractive dividends. The Fund remains on the cautious side given the uncertain environment and the recent rise in share market valuations; however, we remain excited about the opportunities for active management gains.

To view Milford's September 2020 Market and Economic Review please see milfordasset.com/fact-sheet.

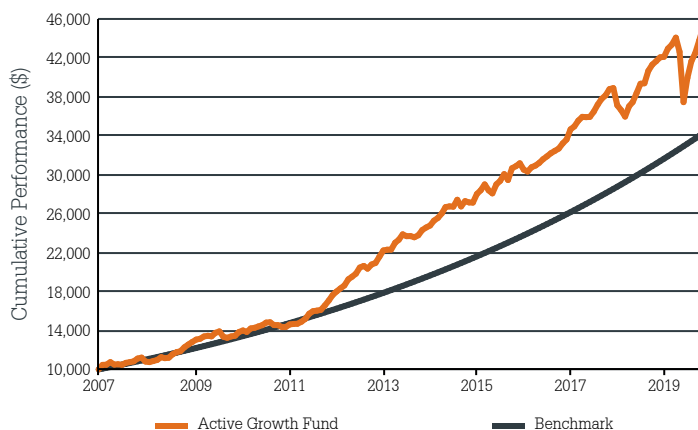
External Ratings



Milford Active Growth Fund received a Morningstar Analyst Rating™ of 'Silver' on 29-05-2018

Cumulative Fund Performance

(after fees and before tax)



Assumes the growth of \$10,000 invested at the Fund's inception date.

Key Fund Facts

Objective ¹	Annual returns of 10% over a minimum of five years
Description	Diversified fund that primarily invests in equities, with a moderate allocation to fixed interest securities
Target Allocation	22% Income Assets / 78% Growth Assets
Neutral FX Exposure	16.0%
Net Asset Value (NAV)	\$1,271.8 M
Buy-sell Spread	None
Inception Date	1 October 2007
Status	Closed to new investors
Benchmark	10% p.a.
Base Fund Fee ²	1.05%
Performance Fee	15% of the Fund's returns above the Benchmark ¹ , subject to the high watermark.
Total Fund Fees ³	1.30% (includes an est. performance fee)
Risk Indicator	<div style="display: flex; justify-content: space-between;"> Lower risk Higher risk </div> <div style="text-align: center;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between;"> Potentially lower returns Potentially higher returns </div>

Investment Performance after fees as at 31 August 2020⁴

Unit Price: \$4.2079

	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)	3.11%	8.37%	8.31%	10.76%	10.69%	12.37%
After Tax 10.50%	3.13%	8.28%	8.09%	10.46%	10.41%	11.85%
After Tax 17.50%	3.15%	8.22%	7.94%	10.26%	10.22%	11.65%
After Tax 28.00%	3.17%	8.13%	7.72%	9.96%	9.94%	11.24%
Benchmark	0.81%	2.43%	10.00%	10.00%	10.00%	10.00%

Top Equity Holdings

Holdings	% of Fund's NAV
Spark New Zealand	3.82%
Fisher & Paykel Healthcare	3.77%
Summerset Group Holdings	2.36%
a2 Milk Company	2.12%
Contact Energy	1.94%
Newmont Mining	1.85%
Alphabet	1.82%
Dr Horton	1.78%
Charter Hall Retail	1.70%
Lowe's Companies Inc	1.63%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	14.44%	6.00%
New Zealand Fixed Interest	1.25%	2.00%
International Fixed Interest	11.23%	14.00%
New Zealand Equities	23.43%	22.00%
Australian Equities	17.42%	18.00%
International Equities	32.20%	38.00%
Other	0.03%	0%

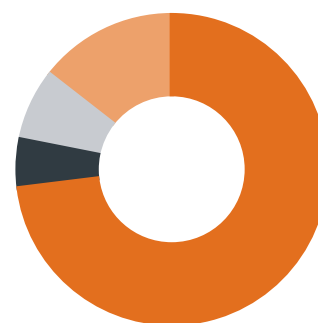
The actual cash held by the Fund is 7.33%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

Holdings	% of Fund's NAV
CYBG 8% 2049	1.17%
Natwest 6% Perpetual	0.73%
Crown Resorts 5.795% 2075	0.61%
Lloyds Bank 5.125% Perpetual	0.61%
Vodafone Group 6.25% 2078	0.60%
CYBG 7.875% 2028	0.54%
Woolworths 2.8% 2030	0.50%
Credit Suisse 7.5% 2023	0.50%
ASB Bank 5.25% 2026	0.49%
Barclays 5.875% 2024	0.49%

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

Fund Portfolio Mix



Shares 73.05%
High Yield & Unrated Bonds 7.42%
Investment Grade Bonds 5.06%
Cash and Other 14.47%

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.

Level 28, 48 Shortland Street, Auckland
PO Box 960, Shortland Street, Auckland 1140
Free phone 0800 662 345
milfordasset.com

