

# Active Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 August 2022



## Portfolio Managers



Jonathan Windust  
Portfolio Manager



William Curtaigne  
Co-Portfolio Manager

The Fund returned -0.4% in August with negative returns from both bond and share markets. New Zealand and Australian share market indices rose 1.0% and 1.2% in contrast to the global share market index which fell 3.5%. Global share markets and bond markets came under pressure as longer-term interest rates rose. Interest rates rose in response to continued high inflation and talk from central banks around the globe that they would continue to act aggressively to control inflation even if growth is slowing. New Zealand and Australian shares performed well following generally robust earnings reports from major companies which reported during the month. The Fund performed well compared to the markets it invests in given more cautious positioning and a lower weight in shares.

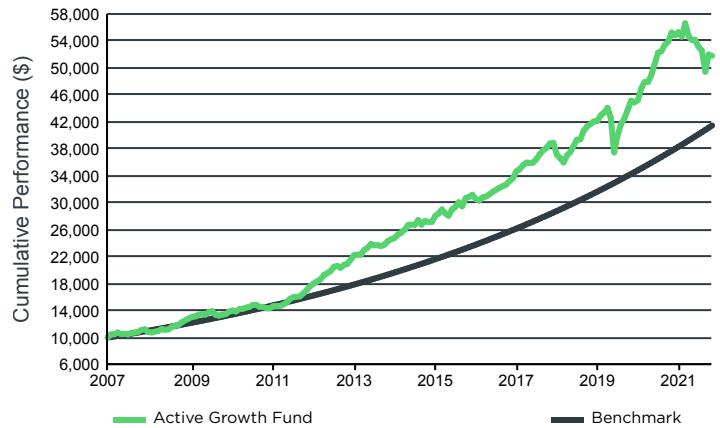
Key company performance in the month included Australian materials company IGO (+21.7%), US energy company EOG Resources (+9.1%), New Zealand telco Spark (+6.3%) and UK bank Barclays (+6.1%). IGO is benefitting from strong demand and prices for Lithium and Nickel which are used in batteries for electric vehicles. Spark benefitted from a solid result and the attractive price it received for its mobile phone towers. The proceeds from the tower sale will allow Spark to return funds to shareholders and invest for future growth. Barclays was aided by a good result and rising interest rates which allow it to generate higher returns in the future.

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. Last month's share market valuations, in aggregate, are around long run averages. However they vary significantly by style, with growth company valuations above average as investors remain optimistic about this sector. This variation in valuation provides the opportunity for active management gains over time. 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 company bonds (fixed income) which we believe reflect the high levels of market uncertainty. The Fund remains active to isolate those companies which we believe have strong risk-adjusted return prospects.

To view Milford's September 2022 Market and Economic Review please see [milfordasset.com/fact-sheet](http://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

### Objective<sup>1</sup>

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)	\$2,679.2 M
Buy-sell Spread	None - swing pricing applies (See PDS for details)
Inception Date	1 October 2007
Benchmark	10% p.a.
Base Fund Fee <sup>2</sup>	1.05%
Performance Fee	15% of the Fund's returns above the Benchmark <sup>1</sup> , subject to the high watermark.
Total Fund Fees <sup>3</sup>	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 31 August 2022

### Investment Performance after fees as at 31 August 2022<sup>4</sup>

Unit Price: \$4.8047

	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)	-0.38%	-1.46%	-6.27%	7.51%	9.29%	11.65%
After Tax 10.50%	-0.38%	-1.49%	-6.40%	7.30%	9.03%	11.18%
After Tax 17.50%	-0.38%	-1.51%	-6.48%	7.15%	8.85%	10.99%
After Tax 28.00%	-0.38%	-1.54%	-6.62%	6.93%	8.58%	10.60%
Benchmark	0.81%	2.43%	10.0%	10.0%	10.0%	10.0%

### Top Equity Holdings

Holdings	% of Fund
Contact Energy	3.73%
Shell	2.60%
JPMorgan	2.48%
CRH	2.29%
Virgin Money	2.05%
HCA Holdings	1.81%
Boston Scientific	1.59%
Natwest	1.59%
Charter Hall Retail	1.48%
Santos	1.34%

### Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	19.65%	6.0%
New Zealand Fixed Interest	1.76%	2.0%
International Fixed Interest	22.78%	14.0%
New Zealand Equities	12.06%	16.0%
Australian Equities	10.17%	18.0%
International Equities	33.58%	44.0%
Other	0.00%	0.0%

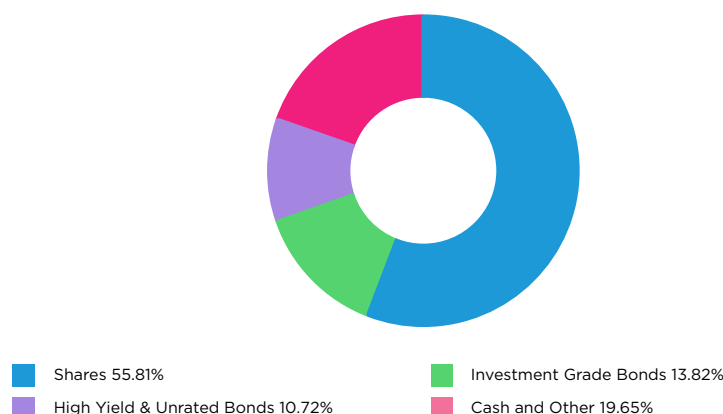
# The actual cash held by the Fund is 10.75%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

### Top Fixed Interest Holdings

Holdings	% of Fund
NatWest 5.125% Perpetual	1.63%
Scentre Group 5.125% 2080	1.38%
Westpac 5% 2027	1.22%
ING Groep 4.25% Perpetual	1.21%
Barclays 4.375% Perpetual	0.91%
JPMorgan 5% 2024	0.81%
Woolworths 2.8% 2030	0.74%
NAB 6.322% 03/08/2032	0.72%
Lloyds Bank 5.125% Perpetual	0.70%
NatWest 6% Perpetual	0.63%

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](http://milfordasset.com/fact-sheet) for more information about the data published within this document.

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