

Active Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 December 2023



Portfolio Managers



Jonathan Windust
Portfolio Manager



William Curtayne
Co-Portfolio Manager

The Fund rose 4.9% in December with strong returns from both share and fixed income markets in response to continued falling long-term interest rates. The major New Zealand, Australian and global share market indices rose 4.0%, 7.3% and 4.2% respectively. Interest rates fell as investors became more optimistic that inflation would fall, and central banks would be able to reduce interest rates without a significant deterioration in economic growth. The Fund outperformed the mix of markets in which it invests, despite a lower holding in shares, due to good company selection and strong returns from company bonds (fixed income).

Key positive company investments during the month included Australian biopharmaceutical company Neuren Pharmaceuticals (+61.1%), New Zealand software company Gentrack (+14.1%), US home builder PulteGroup (+17.0%) and US biopharmaceutical company Acadia (+40.5%). Neuren, Gentrack and Pulte were star performers for the 2023 year returning 214.1%, 161.7% and 128.8% respectively. Neuren rose during the month following announcement of successful results in a trial of its drug NNZ-2591 for Phelan-McDermid Syndrome - a rare disease for which there is a large unmet clinical need. Pulte rose with the prospect that lower US mortgage rates will help stimulate demand for new housing.

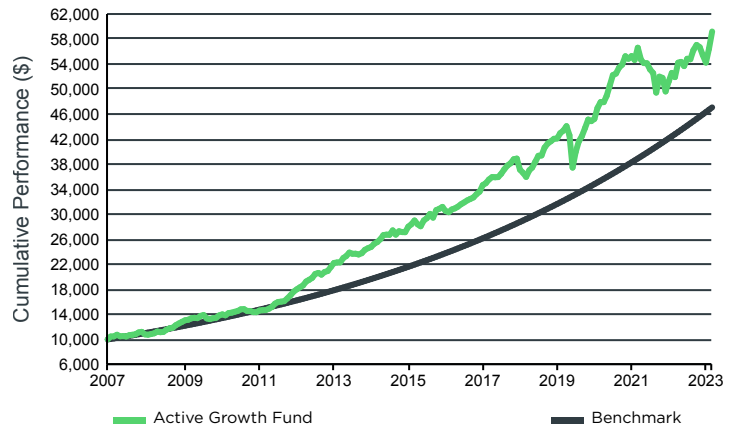
The outlook for share markets is supported by resilient growth in the United States and the prospect that falling inflation will allow central banks to reduce interest rates in 2024. Negatives are patchy economic growth outside of the United States and the prospect that increased government issuance and sticky inflation leads to higher rates for longer. Following the recent market rally the valuation of shares has increased, with the expected return premium to cash and fixed income relatively low. Given this backdrop, the strategy of the Fund is to have a lower weight to shares with higher weights to company bonds (fixed income) than normal. Selective fixed income provides attractive yields with relatively low levels of risk. The Milford team remains active to isolate quality companies, with strong management teams and attractive valuations which we believe will deliver attractive medium-term, risk-adjusted returns.

To view Milford's December 2023 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 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)	\$3,072.0 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)
Risk Indicator	<div style="display: flex; justify-content: space-between; align-items: center;"> Lower risk 1 2 3 4 5 6 7 Higher risk </div> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 5px;"> Potentially lower returns Potentially higher returns </div>

External Ratings



The Milford Active Growth Fund has a Morningstar Medalist Rating™ of 'Silver' as of 06-09-2023

Active Growth Fund as at 31 December 2023

Investment Performance after fees as at 31 December 2023⁴

Unit Price: \$5.4726

	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)	4.89%	6.78%	14.05%	7.30%	10.48%	11.56%
After Tax 10.50%	4.78%	6.52%	13.44%	7.04%	10.19%	11.09%
After Tax 17.50%	4.71%	6.35%	13.03%	6.87%	10.00%	10.89%
After Tax 28.00%	4.61%	6.10%	12.42%	6.62%	9.71%	10.50%
Benchmark	0.81%	2.43%	10.0%	10.0%	10.0%	10.0%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	2.54%
HCA Holdings	2.21%
Shell	1.91%
Coca-Cola Europacific Partners	1.89%
Spark	1.86%
CRH	1.72%
Telstra	1.64%
AGCO	1.62%
Pultegroup	1.60%
Aena SME	1.54%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	5.17%	6%
New Zealand Fixed Interest	2.63%	2%
International Fixed Interest	24.05%	14.0%
New Zealand Equities	11.19%	12%
Australian Equities	15.51%	18%
International Equities	40.05%	48%
Other	1.40%	0.0%

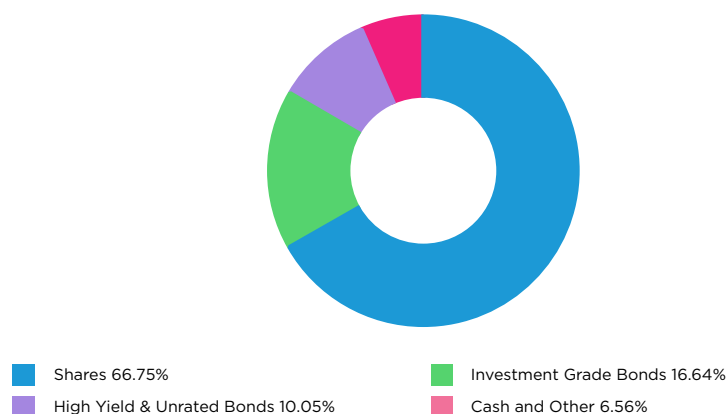
The actual cash held by the Fund is 6.64%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

Holdings	% of Fund
NatWest 5.125% Perpetual	1.54%
Westpac 7.199% 2038	0.95%
Scentre Group 5.125% 2080	0.93%
AT&T 2.875% Perpetual	0.78%
ANZ 6.405% 2034	0.68%
ING Groep 4.25% Perpetual	0.65%
BNZ 5.87% 2028	0.63%
Lloyds Bank 8.5% Perpetual	0.62%
Woolworths 2.8% 2030	0.59%
Brisbane Airport 4.5% 2030	0.59%

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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