

# Active Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 28 February 2022



## Portfolio Managers



**Jonathan Windust**  
Portfolio Manager



**William Curtayne**  
Co-Portfolio Manager

The Fund fell 1.0% in February in what was a particularly volatile month for shares due to uncertainty over the situation in Ukraine. Global shares ended the month down 2.7% after staging a rally towards the end of the month. New Zealand and Australian shares finished the month up 0.7% and 2.1% respectively, boosted by returns in energy and commodity companies. The Fund out-performed market returns due to strategies to help cushion market falls in global shares.

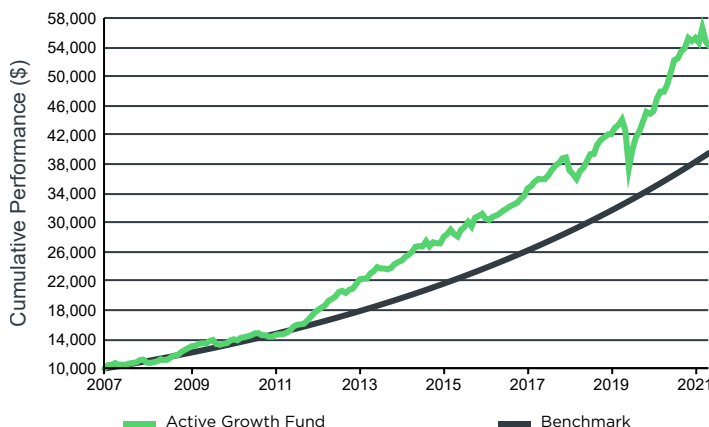
Key company positives during the month included New Zealand electricity companies Meridian Energy (+14.6%) and Contact Energy (+3.7%) which benefitted from rising electricity prices and the move towards renewable generation. Oil and gas companies again performed well with Santos (+3.9%) and EOG Resources (+3.1%) benefitting from rising oil prices. The best performer for the month was Genworth Mortgage Insurance Australia which was up 23.5%. Genworth rose following news it had retained a major customer, a strong result and a private equity company acquiring a stake in the company on the market. We believe Genworth was materially undervalued trading below its book value.

The outlook for shares remains supported by the prospect of good growth (as Covid restrictions subside), strong company earnings, relatively low interest rates and high levels for liquidity. The key headwinds are the relatively high valuations of some companies, the impact of rising inflation on consumer income and company profit margins, the prospect of rising interest rates and political uncertainty. Given the increasing headwinds facing shares, the Fund has become more cautious with a reduced holding in shares and increased holding in cash. The strategy of the Fund continues to be to construct a portfolio of investments which provide attractive medium-term risk adjusted returns. Rising volatility in markets can create opportunities to acquire companies at more attractive valuations.

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

<b>Minimum recommended investment timeframe</b>	7 years +
<b>Target Allocation</b>	22% Income Assets / 78% Growth Assets
<b>Neutral FX Exposure</b>	16.0%
<b>Net Asset Value (NAV)</b>	\$2,405.0 M
<b>Buy-sell Spread</b>	None - swing pricing applies (See PDS for details)
<b>Inception Date</b>	1 October 2007
<b>Benchmark</b>	10% p.a.
<b>Base Fund Fee<sup>2</sup></b>	1.05%
<b>Performance Fee</b>	15% of the Fund's returns above the Benchmark <sup>1</sup> , subject to the high watermark.
<b>Total Fund Fees<sup>3</sup></b>	1.25% (includes an est. performance fee)

	Lower risk	4			Higher risk		
<b>Risk Indicator</b>	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 28 February 2022

### Investment Performance after fees as at 28 February 2022<sup>4</sup>

Unit Price: \$5.032

	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)	-0.99%	-0.90%	10.76%	13.08%	11.66%	12.43%
After Tax 10.50%	-1.04%	-0.99%	10.69%	12.79%	11.35%	11.94%
After Tax 17.50%	-1.07%	-1.05%	10.65%	12.60%	11.15%	11.74%
After Tax 28.00%	-1.11%	-1.14%	10.59%	12.32%	10.85%	11.33%
Benchmark	0.73%	2.38%	10.00%	10.0%	10.0%	10.0%

### Top Equity Holdings

Holdings	% of Fund
Contact Energy	3.91%
Santos	2.88%
Virgin Money	2.67%
Alphabet	2.44%
HCA Holdings	2.16%
EOG Resources	2.07%
Microsoft	2.00%
CRH	1.77%
EBOS Group	1.70%
JPMorgan	1.68%

### Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	21.09%	6.0%
New Zealand Fixed Interest	1.34%	2.0%
International Fixed Interest	12.92%	14.0%
New Zealand Equities	17.00%	20.0%
Australian Equities	15.27%	18.0%
International Equities	32.38%	40.0%
Other	0.00%	0.0%

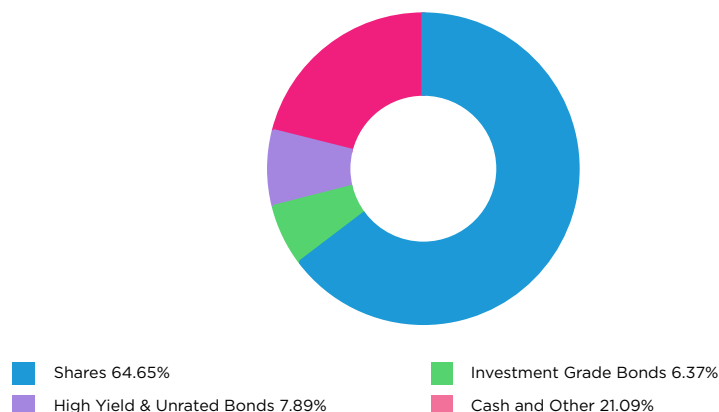
# The actual cash held by the Fund is 5.69%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

### Top Fixed Interest Holdings

Holdings	% of Fund
ING Groep 4.25% Perpetual	1.47%
NatWest 5.125% Perpetual	1.30%
Westpac 5% 2027	1.28%
JPMorgan 5% 2024	1.28%
Barclays 4.375% Perpetual	1.07%
Lloyds Bank 5.125% Perpetual	0.84%
Scentre Group 5.125% 2080	0.76%
Barclays 5.875% 2024	0.65%
Bank of America 4.375% Perpetual	0.49%
Bank of Queensland Float 2032	0.48%

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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