

Active Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 January 2022



Portfolio Managers



Jonathan Windust
Portfolio Manager



William Curayne
Co-Portfolio Manager

The Fund fell by 3.4% in January reversing most of December's gains. The Fund was negatively impacted by share markets, with the New Zealand (-8.8%), Australian (-6.4%) and global (-4.9%) share market indices all falling. Share markets fell due to concerns over the prospect of more rapid increases in interest rates as central banks look to control inflation. Higher interest rates act to slow growth and can reduce company valuations. Shares in higher valuation growth companies were particularly hard hit. The Fund outperformed market returns due to strong company selection, more defensive positioning and strategies to cushion interest rate rises.

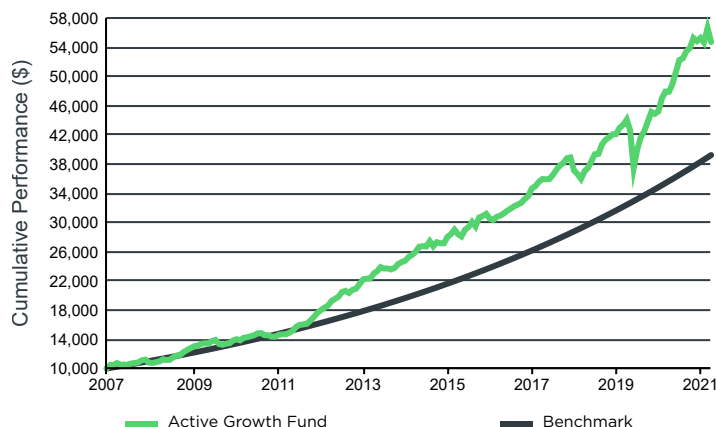
Key company positives during the month included UK Banks, Virgin Money (+8.2%), Natwest Group (+7.4%) and Barclays (+5.5%). Banks are a beneficiary of rising interest rates as they increase lending rates faster than deposit rates. Oil and Gas companies Santos (+13.2%) and EOG Resources (+26.4%) performed well due to rising oil prices. The Fund reduced holdings in shares towards the start of the month following strong gains and increased talk from central bank officials about the need to control inflation. As markets fell we gradually increased holdings in those shares we believe had been oversold.

The outlook for shares remains supported by the prospect of good economic growth, strong company earnings, low short-term interest rates and high levels of liquidity. The key headwinds for markets are relatively high valuations, generally optimistic investor sentiment and the prospect of rising inflation and interest rates. Whilst parts of the market have relatively full valuations, we continue to find companies which we believe are attractively valued. The strategy of the Fund is to remain active and construct a portfolio of investments which provide an attractive medium-term risk adjusted return.

To view Milford's February 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) | \$2,407.7 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 | 1.25% (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 January 2022

Investment Performance after fees as at 31 January 2022⁴

Unit Price: \$5.0828

| | 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) | -3.38% | -1.05% | 14.16% | 13.88% | 12.07% | 12.58% |
| After Tax 10.50% | -3.39% | -1.09% | 14.04% | 13.61% | 11.78% | 12.08% |
| After Tax 17.50% | -3.41% | -1.12% | 13.96% | 13.44% | 11.58% | 11.89% |
| After Tax 28.00% | -3.42% | -1.17% | 13.83% | 13.17% | 11.29% | 11.48% |
| Benchmark | 0.81% | 2.43% | 9.99% | 10.0% | 10.0% | 10.0% |

Top Equity Holdings

| Holdings | % of Fund |
|-----------------|-----------|
| Contact Energy | 3.57% |
| Virgin Money | 3.03% |
| Alphabet | 2.74% |
| Santos | 2.57% |
| CRH | 1.98% |
| Dr Horton | 1.96% |
| Microsoft | 1.93% |
| HCA Holdings | 1.89% |
| Fisher & Paykel | 1.73% |
| EBOS Group | 1.72% |

Current Asset Allocation

| | Actual Investment Mix | Neutral Investment Mix |
|------------------------------|-----------------------|------------------------|
| Effective Cash # | 11.14% | 6.0% |
| New Zealand Fixed Interest | 0.89% | 2.0% |
| International Fixed Interest | 12.32% | 14.0% |
| New Zealand Equities | 17.65% | 20.0% |
| Australian Equities | 22.09% | 18.0% |
| International Equities | 35.91% | 40.0% |
| Other | 0.00% | 0.0% |

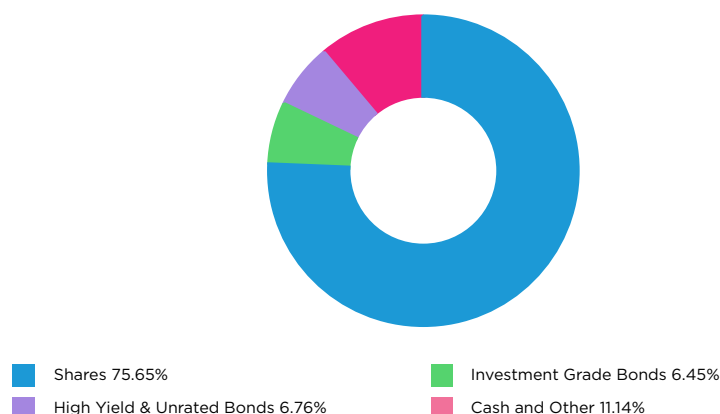
The actual cash held by the Fund is 7.30%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

| Holdings | % of Fund |
|----------------------------------|-----------|
| ING Groep 4.25% Perpetual | 1.47% |
| JPMorgan 5% 2024 | 1.36% |
| Westpac 5% 2027 | 1.34% |
| Barclays 4.375% Perpetual | 1.08% |
| NatWest 5.125% Perpetual | 0.88% |
| Scentre Group 5.125% 2080 | 0.80% |
| Barclays 5.875% 2024 | 0.53% |
| Bank of America 4.375% Perpetual | 0.51% |
| Bank of Queensland Float 2032 | 0.48% |
| NatWest 6% Perpetual | 0.42% |

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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