

Active Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 July 2022



Portfolio Managers



Jonathan Windust
Portfolio Manager



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Co-Portfolio Manager

The Fund rose 5.2% in July as share and bond markets rose sharply and reversed most of June's market falls. The major New Zealand, Australian and global share market indices rising 5.8%, 5.7% and 8.0% respectively. Share markets rose as long-term interest rates fell and investors became less pessimistic. Long-term interest rates fell, despite further aggressive rate rises from central banks, as investors forecast that action from central banks would be successful in bringing down inflation allowing them to ease policy in 2023. The fall in long-term rates and increased investment optimism was positive for company bonds which performed strongly. Strong bond performance allowed the Fund to keep up with markets despite lower weighting in shares.

Key company performances in the month included Amazon (+27.1%), US hospital company HCA Healthcare (+26.4%), small business software provider Intuit (+18.5%) and US homebuilder DR Horton (+17.9%). Amazon rebounded as it delivered a better-than-expected result which showed continued strong growth in cloud computing and a recovery in retail performance. HCA rose following better-than-expected results and in particular signs that it was better able to manage wage price inflation which hurt its previous result. DR Horton rose following a very strong result which showed a 53% rise in profits versus the previous year. DR Horton is the United States largest home builder and has benefitted from the strong housing market in the United States. Looking forward rising mortgage rates in the US are creating a headwind for housing markets however we believe this is more than factored into DR Horton's valuation, which remains attractive.

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. Following the rise in share markets, last month's valuations in aggregate are around long-run averages but vary significantly by style with growth company valuations above average as investors remain optimistic about this sector. This variation in valuations 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 August 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)	\$2,655.4 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)

	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 July 2022

Investment Performance after fees as at 31 July 2022⁴

Unit Price: \$4.8237

	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)	5.16%	-2.19%	-3.56%	7.96%	9.73%	11.75%
After Tax 10.50%	5.09%	-2.21%	-3.69%	7.74%	9.47%	11.27%
After Tax 17.50%	5.05%	-2.23%	-3.78%	7.59%	9.30%	11.08%
After Tax 28.00%	4.98%	-2.26%	-3.92%	7.37%	9.05%	10.69%
Benchmark	0.81%	2.43%	10.0%	10.0%	10.0%	10.0%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	3.76%
Shell	2.41%
JPMorgan	2.38%
CRH	2.18%
Virgin Money	2.08%
HCA Holdings	1.88%
Microsoft	1.84%
Natwest	1.79%
Boston Scientific	1.63%
Charter Hall Retail	1.55%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	18.75%	6.0%
New Zealand Fixed Interest	3.01%	2.0%
International Fixed Interest	21.95%	14.0%
New Zealand Equities	12.31%	16.0%
Australian Equities	10.71%	18.0%
International Equities	33.27%	44.0%
Other	0.00%	0.0%

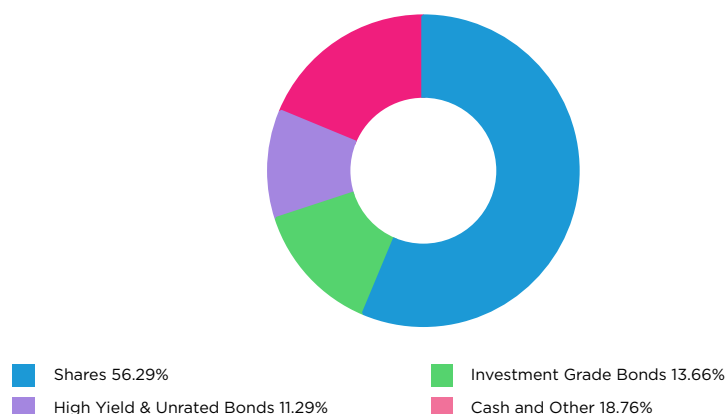
The actual cash held by the Fund is 9.77%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

Holdings	% of Fund
NatWest 5.125% Perpetual	1.76%
Scentre Group 5.125% 2080	1.35%
ING Groep 4.25% Perpetual	1.27%
Westpac 5% 2027	1.22%
Barclays 4.375% Perpetual	0.97%
JPMorgan 5% 2024	0.82%
Woolworths 2.8% 2030	0.77%
Lloyds Bank 5.125% Perpetual	0.75%
NAB 6.322% 03/08/2032	0.74%
NatWest 6% Perpetual	0.64%

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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