

# Active Growth Fund

## Portfolio Investment Entity

Monthly Fact Sheet as at 30 November 2023



### Portfolio Managers



**Jonathan Windust**  
Portfolio Manager



**William Curtayne**  
Co-Portfolio Manager

The Fund rose 4.1% in November with strong returns from both share and fixed income markets in response to falling long-term interest rates. The major New Zealand, Australian and global share market indices rose 5.4%, 5.0% and 8.3% respectively. Interest rates fell as investors became more optimistic of a soft economic landing, where inflation falls and central banks reduce interest rates without a significant deterioration in economic growth. In contrast to global markets, the New Zealand Reserve Bank signalled that further hikes may be necessary to control inflation. The prospect of higher relative interest rates supported the NZ dollar, which rose 5.7% versus the US dollar during the month. This rise reduced the returns on unhedged offshore investments.

Key positive company investments during the month included Gentrack (+18.4%), Uber Technologies (+30.3%), Cellnex (+26.6%) and PulteGroup (+20.2%). Gentrack, the NZ listed global utilities software company, rose following a strong result where it increased revenue 34% for the year and upgraded its guidance for 2024 revenue. Uber rose following a strong earnings result where it continued to demonstrate strong revenue growth, with bookings rising 21% as the company continues to add new users. The number of Uber trips grew 25% to approximately 27 million trips per day. Cellnex, which owns mobile phone towers in Europe, and US homebuilder PulteGroup both benefited from lower long-term interest rates.

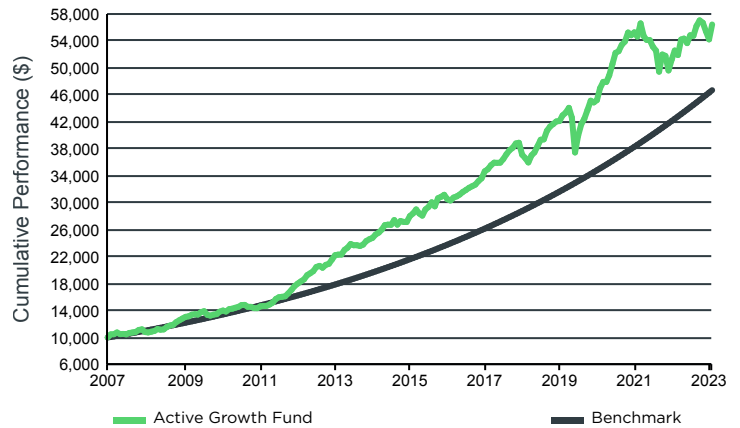
The outlook for share markets is supported by resilient growth in the United States, and the prospect that falling inflation will allow central banks to reduce interest rates in 2024. Negatives are patchy economic growth outside of the United States and the prospect that increased government issuance and sticky inflation leads to higher rates for longer. Following the recent market rally, the valuation of shares has also increased with the expected return premium to cash and fixed income relatively low. Given this backdrop, the strategy of the Fund remains on the cautious side with higher weights to company fixed income than typical. 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 November 2023 Market and Economic Review please see [milfordasset.com/insights](https://milfordasset.com/insights).

For previous fund reports see [milfordasset.com/fund-reports](https://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

|                              |  |
|------------------------------|--|
| <b>Objective<sup>1</sup></b> | To provide annual returns of 10% over the minimum recommended investment timeframe                           |
| <b>Description</b>           | 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>                    | \$2,919.8 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>              | 1.20% (includes an est. performance fee)  |

|                       |                           |   |   |   |                            |   |             |
|-----------------------|---------------------------|---|---|---|----------------------------|---|-------------|
|                       | Lower risk                |   |   |   |                            |   | Higher risk |
| <b>Risk Indicator</b> | 1                         | 2 | 3 | 4 | 5                          | 6 | 7           |
|                       | Potentially lower returns |   |   |   | Potentially higher returns |   |             |

### External Ratings



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

## Active Growth Fund as at 30 November 2023

### Investment Performance after fees as at 30 November 2023<sup>4</sup>

Unit Price: \$5.2181

|  | 1 Month | 3 Months | 1 year | 3 years (p.a.) | 5 years (p.a.) | Since inception (p.a.) |
|--|---------|----------|--------|----------------|----------------|------------------------|
| Milford Active Growth Fund<br>(Gross Of Tax) | 4.08%   | -0.46%   | 7.34%  | 6.31%          | 9.03%          | 11.30%                 |
| After Tax 10.50%                             | 4.00%   | -0.67%   | 6.83%  | 6.09%          | 8.76%          | 10.83%                 |
| After Tax 17.50%                             | 3.95%   | -0.81%   | 6.49%  | 5.94%          | 8.58%          | 10.63%                 |
| After Tax 28.00%                             | 3.86%   | -1.01%   | 5.99%  | 5.72%          | 8.31%          | 10.25%                 |
| Benchmark                                    | 0.79%   | 2.40%    | 10.0%  | 10.0%          | 10.0%          | 10.0%                  |

### Top Equity Holdings

| Holdings                       | % of Fund |
|--------------------------------|-----------|
| Contact Energy                 | 2.64%     |
| HCA Holdings                   | 2.24%     |
| CRH                            | 1.99%     |
| Shell                          | 1.95%     |
| Spark                          | 1.89%     |
| Aena SME                       | 1.60%     |
| Coca-Cola Europacific Partners | 1.59%     |
| AGCO                           | 1.50%     |
| Elevance Health                | 1.41%     |
| Charter Hall Retail            | 1.39%     |

### Current Asset Allocation

|                              | Actual Investment Mix | Neutral Investment Mix |
|------------------------------|-----------------------|------------------------|
| Effective Cash #             | 4.48%                 | 6%                     |
| New Zealand Fixed Interest   | 2.72%                 | 2%                     |
| International Fixed Interest | 26.36%                | 14.0%                  |
| New Zealand Equities         | 11.06%                | 16%                    |
| Australian Equities          | 17.14%                | 18%                    |
| International Equities       | 37.08%                | 44%                    |
| Other                        | 1.16%                 | 0.0%                   |

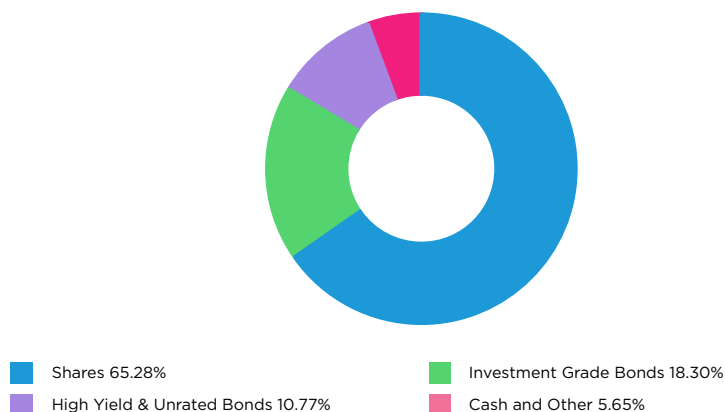
# The actual cash held by the Fund is 4.52%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

### Top Fixed Interest Holdings

| Holdings                   | % of Fund |
|----------------------------|-----------|
| NatWest 5.125% Perpetual   | 1.61%     |
| Scentre Group 5.125% 2080  | 0.99%     |
| Westpac 7.199% 2038        | 0.95%     |
| AT&T 2.875% Perpetual      | 0.83%     |
| ANZ 6.405% 2034            | 0.68%     |
| ING Groep 4.25% Perpetual  | 0.67%     |
| Lloyds Bank 8.5% Perpetual | 0.66%     |
| BNZ 5.87% 2028             | 0.65%     |
| Brisbane Airport 4.5% 2030 | 0.61%     |
| Woolworths 2.8% 2030       | 0.61%     |

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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