

Active Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 September 2023



Portfolio Managers



Jonathan Windust
Portfolio Manager



William Curtayne
Co-Portfolio Manager

The Fund fell 2.2% in September with share and fixed income markets falling in response to a sharp increase in long-dated bond yields. The major New Zealand, Australian and global share market indices fell 1.9%, 2.8% and -3.7% respectively. Bond yields rose in response to the US Federal Reserve statement that indicated higher rates for longer, a resilient US economy, and increased supply to fund large government deficits. The Fund outperformed the markets it invests in, and our passive peers, due to our more defensive positioning, good company selection and foreign exchange risk management.

Most shares were negatively impacted by higher yields, as they create an alternative option for investors, increase company funding costs and reduce company valuations. More resilient companies during the month included insurance companies QBE (+4.9%) and Suncorp (+2.5%), oil and gas companies Santos (+3.0%), Shell (+3.7%) and EOG Resources (-1.4%) and Banks JP Morgan (-0.9%), NatWest Group (+2.3%) and Bank of Ireland (+1.0%). Insurers continue to benefit from rising insurance premiums, oil and gas companies from a higher oil price, and banks from higher long-term interest rates. The oil price rose approximately 9% during the month, as oil inventories fell in response to increased demand and a reduced supply from OPEC.

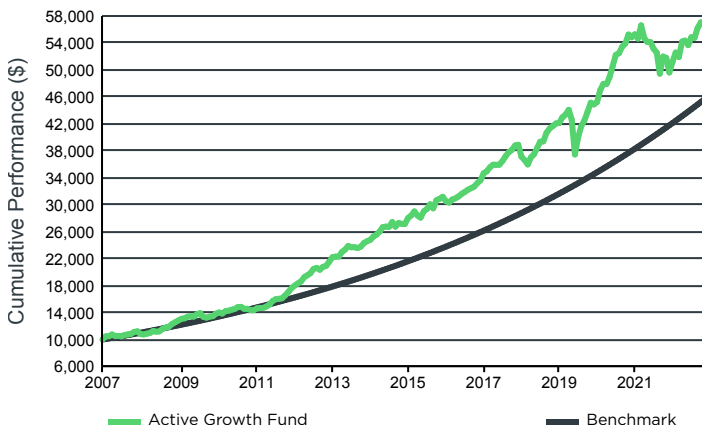
The outlook for share markets is supported by resilient growth in the United States and the prospect that falling inflation means central bank cash rates are close to a peak. Negatives are patchy economic growth outside of the United States, and higher long-term interest rates. Given this backdrop, the 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. Whilst share market valuations have improved, the return premium relative to fixed income remains relatively low. However, within markets, the Milford team remains active and we continue 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 September 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)	\$2,863.2 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 Higher risk </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between; 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 30 September 2023

Investment Performance after fees as at 30 September 2023⁴

Unit Price: \$5.1263

	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)	-2.22%	-1.38%	11.74%	7.31%	7.35%	11.30%
After Tax 10.50%	-2.29%	-1.55%	11.41%	7.08%	7.10%	10.84%
After Tax 17.50%	-2.33%	-1.66%	11.20%	6.93%	6.94%	10.64%
After Tax 28.00%	-2.40%	-1.83%	10.87%	6.70%	6.70%	10.26%
Benchmark	0.79%	2.43%	10.0%	10.0%	10.0%	10.0%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	2.57%
Shell	2.20%
HCA Holdings	1.95%
Spark	1.79%
Coca-Cola Europacific Partners	1.70%
CRH	1.68%
Elevance Health	1.67%
Santos	1.54%
Pultegroup	1.48%
Charter Hall Retail	1.45%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	10.66%	6%
New Zealand Fixed Interest	2.87%	2%
International Fixed Interest	25.16%	14.0%
New Zealand Equities	11.87%	16%
Australian Equities	14.69%	18%
International Equities	34.15%	44%
Other	0.60%	0.0%

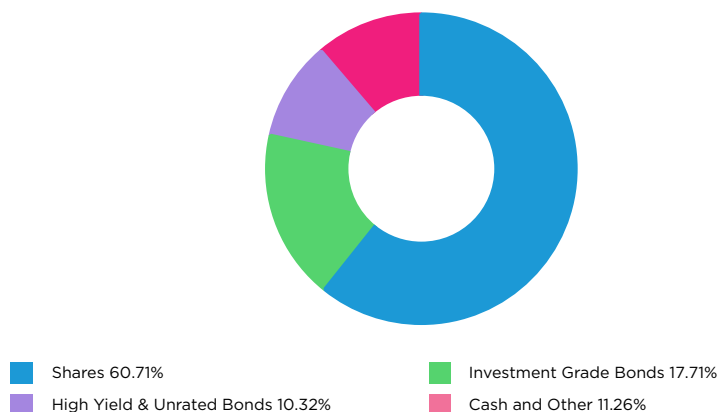
The actual cash held by the Fund is 5.14%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

Holdings	% of Fund
NatWest 5.125% Perpetual	1.58%
Scentre Group 5.125% 2080	1.00%
AT&T 2.875% Perpetual	0.83%
BNZ 5.87% 2028	0.70%
ANZ 6.405% 2034	0.70%
ING Groep 4.25% Perpetual	0.68%
Brisbane Airport 4.5% 2030	0.63%
Woolworths 2.8% 2030	0.63%
XERIN 0% 02/12/2025	0.61%
Bank of Ireland 7.594% 2032	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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