

Cash Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 January 2023



Portfolio Managers



Katlyn Parker
Portfolio Manager



Ian Robertson
Co-Portfolio Manager

In January the Fund generated a return of 0.4%, in line with its objective to deliver a return in excess of the Reserve Bank of New Zealand (RBNZ) Official Cash Rate (OCR) after fees.

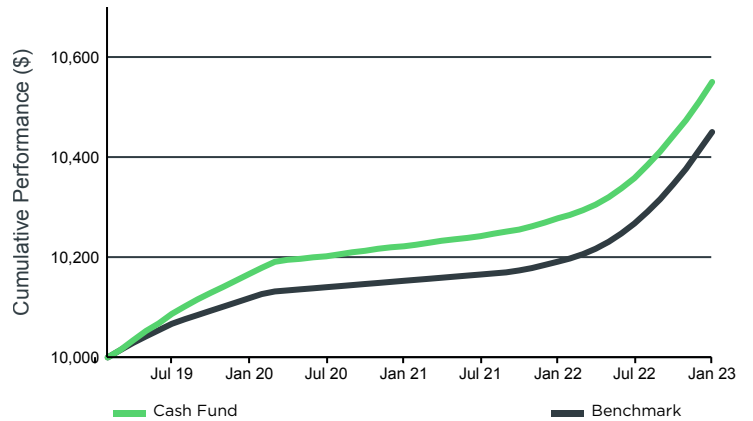
Short-dated NZ dollar bank bills, a reflection of interbank funding levels, continued their move higher throughout the month, driven by expectations of further increases to the OCR at the upcoming RBNZ meetings. Whilst the market has pared back expectations for another 0.75 percentage point increase to the OCR at the February meeting post seeing some moderate signs of easing in recent inflation and labour market data releases, it is very much live for a further 0.5 percentage point increase. Looking forward, this should continue to benefit the Fund by increasing the interest rates into which it can progressively reinvest maturing holdings in the near term. Our base case remains for higher interest rates from here, albeit elevated market expectations could be higher than what may be realised if inflation continues to moderate and/or growth slows faster than expected.

The portfolio management of the Fund remains focused on maintaining its low-risk strategy which is built on a diversified portfolio of cash, short-dated debt securities and term deposits, so as to protect capital.

To view Milford's February 2023 Market and Economic Review please see milfordasset.com/investor-centre.

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 | Targets a return above the New Zealand Official Cash Rate |
| Description | Primarily invests in New Zealand cash, short-dated debt securities and term deposits |

| | |
|---|--|
| Minimum recommended investment timeframe | N/A |
| Target Allocation | 100% Income Assets / 0% Growth Assets |
| Neutral FX Exposure | 0% |
| Net Asset Value (NAV) | \$462.6 M |
| Yield² | 4.66% |
| Average Credit Rating | A |
| Duration | 0.11 years |
| Buy-sell Spread | None - swing pricing applies (See PDS for details) |
| Inception Date | 1 March 2019 |
| Benchmark | OCR |
| Base Fund Fee³ | 0.20% |
| Performance Fee | Not applicable |
| Total Fund Fees⁴ | 0.20% |

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

Cash Fund as at 31 January 2023

Investment Performance after fees as at 31 January 2023⁵

Unit Price: \$1.055

| | 1 Month | 3 Months | 1 year | 3 years (p.a.) | 5 years (p.a.) | Since inception (p.a.) |
|-------------------------------------|---------|----------|--------|----------------|----------------|------------------------|
| Milford Cash Fund (Gross Of Tax) | 0.38% | 1.03% | 2.65% | 1.24% | - | 1.37% |
| After Tax 10.50% | 0.34% | 0.92% | 2.37% | 1.11% | - | 1.23% |
| After Tax 17.50% | 0.31% | 0.85% | 2.18% | 1.02% | - | 1.13% |
| After Tax 28.00% | 0.27% | 0.74% | 1.90% | 0.89% | - | 0.99% |
| Benchmark | 0.35% | 1.01% | 2.54% | 1.08% | - | 1.13% |

Top Security Holdings

| Holdings | % of Fund |
|--------------------------|-----------|
| Westpac 45 Day WND | 15.05% |
| Auckland Airport CP 2023 | 4.28% |
| Auckland Airport CP 2023 | 3.87% |
| Port of Tauranga CP 2023 | 3.22% |
| Fonterra CP 2023 | 2.59% |
| Fonterra CP 2023 | 2.59% |
| Fonterra CP 2023 | 2.58% |
| Port of Tauranga CP 2023 | 2.57% |
| Spark CP 2023 | 2.27% |
| Contact CP 2023 | 2.27% |

Current Asset Allocation

| | Actual Investment Mix | Neutral Investment Mix |
|------------------------------|-----------------------|------------------------|
| Effective Cash # | 22.34% | 20% |
| New Zealand Fixed Interest | 77.66% | 80% |
| International Fixed Interest | 0.00% | 0.0% |
| New Zealand Equities | 0.00% | 0.0% |
| Australian Equities | 0.00% | 0.0% |
| International Equities | 0.00% | 0.0% |
| Other | 0.00% | 0.0% |

The actual cash held by the Fund is 22.34%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

1. After the base fund fee but before tax. 2. Yield to maturity (before tax and fees) for underlying investments in the Fund. 3. Where applicable, the Base Fund Fee includes an estimate of non-related underlying fund charges. 4. 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. 5. 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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