

# Active Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 October 2019



## Portfolio Managers



**Jonathan Windust**  
Portfolio Manager



**William Curtayne**  
Co-Portfolio Manager

The Fund rose 0.1% in October with strong returns from global shares (+1.9%) offset by negative returns from Australian and New Zealand share markets. Global shares benefited from good earnings results and some reduction in market uncertainty. The performance of the Fund's global fixed income investments performed strongly with bonds from UK Banks CYBG and Barclays up 4.1% and 3.7% respectively with the prospects for a messy Brexit reducing.

Key company performers included AMA (+14.3%) in Australia, Serko (+11.9%) in New Zealand and HCA Healthcare (+10.9%) in the US. Serko provides travel management software and rose following news that it had reached an agreement with global company Booking.com to use its software and take a 4.7% stake in the company. We believe Serko which has a dominant market share in Australasia has a significant opportunity to take its software global. AMA (the Australasian panel beating company) rose following an accretive acquisition, whilst HCA delivered a strong earnings result.

During the month we increased the allocation to global shares given the reduction in global uncertainty. The outlook for shares remains supported by low rates, reasonable dividends and positive (albeit slowing economic growth). Key headwinds are relatively high valuations, slowing company earnings growth and political uncertainty. The strategy of the Fund is to remain active to take advantage of market volatility to purchase companies with strong return prospects.

To view Milford's November 2019 Market and Economic Review please see [milfordasset.com/fact-sheet](http://milfordasset.com/fact-sheet).

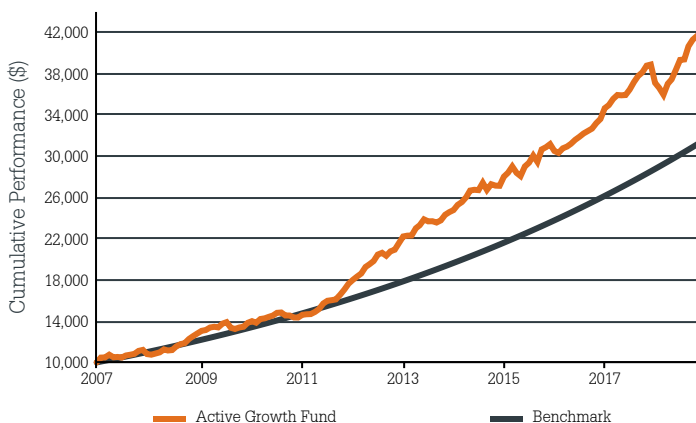
## External Ratings



Milford Active Growth Fund received a Morningstar Analyst Rating™ of 'Silver' on 29-05-2018

## 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>	Annual returns of 10% over a minimum of five years
<b>Description</b>	Diversified fund that primarily invests in equities, with a moderate allocation to fixed interest securities
<b>Target Allocation</b>	20% Income Assets / 80% Growth Assets
<b>Neutral FX Exposure</b>	14.0%
<b>Net Asset Value (NAV)</b>	\$1,146.5 M
<b>Buy-sell Spread</b>	None
<b>Inception Date</b>	1 October 2007
<b>Status</b>	Closed to new investors
<b>Benchmark</b>	10% p.a.
<b>Base Fund Fee <sup>2</sup></b>	1.06%
<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>	1.39% (includes an est. performance fee)
<b>Risk Indicator</b>	<div style="display: flex; justify-content: space-between;"> <span>Lower risk</span> <span>Higher risk</span> </div> <div style="text-align: center;"> <span>1</span> <span>2</span> <span>3</span> <span style="color: orange;">4</span> <span>5</span> <span>6</span> <span>7</span> </div> <div style="display: flex; justify-content: space-between;"> <span>Potentially lower returns</span> <span>Potentially higher returns</span> </div>

Investment Performance after fees as at 31 October 2019<sup>4</sup>

Unit Price: \$3.9336

	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)	0.14%	1.96%	13.45%	11.35%	11.19%	12.63%
After Tax 10.50%	0.09%	1.86%	13.14%	11.03%	10.85%	12.09%
After Tax 17.50%	0.05%	1.79%	12.92%	10.83%	10.62%	11.88%
After Tax 28.00%	0.00%	1.70%	12.61%	10.51%	10.27%	11.45%
Benchmark	0.81%	2.43%	10.00%	10.00%	10.00%	10.00%

## Top Equity Holdings

Holdings	% of Fund's NAV
Contact Energy	3.51%
a2 Milk Company	3.31%
Spark New Zealand	3.28%
iShares MSCI EAFE Min Vol ETF	2.90%
Microsoft Corp	1.77%
Transurban Group	1.68%
Visa	1.65%
Alphabet	1.54%
HCA Holdings	1.52%
Kiwi Property Group	1.34%

## Current Asset Allocation

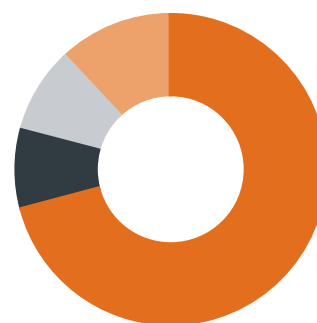
	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	12.00%	6.00%
New Zealand Fixed Interest	1.87%	4.00%
International Fixed Interest	15.27%	10.00%
New Zealand Equities	24.81%	30.00%
Australian Equities	17.29%	22.00%
International Equities	28.76%	28.00%
Other	0.00%	0%

## Top Fixed Interest Holdings

Holdings	% of Fund's NAV
CYBG 8% 2049	1.20%
Westpac 5% 2027	1.00%
Crown Resorts 5.795% 2075	0.74%
Rabobank 4.625% 2025	0.70%
Vodafone Group 6.25% 2078	0.67%
CYBG 7.875% 2028	0.66%
IAG Float 2045	0.63%
Credit Suisse 7.5% 2023	0.61%
JPMorgan 5% 2024	0.59%
Barclays 5.875% 2024	0.58%

Note: Fixed interest securities are reported in the following format: Issuer name, interest (coupon rate), maturity year.

## Fund Portfolio Mix



Shares 70.86%  
High Yield & Unrated Bonds 8.93%  
Investment Grade Bonds 8.21%  
Cash and Other 12.00%

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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