

# Active Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 29 February 2020



## Portfolio Managers



**Jonathan Windust**  
Portfolio Manager



**William Curtayne**  
Co-Portfolio Manager

The Fund fell 3.3% in February and was negatively impacted by sharp falls in share markets with NZ, Australian and US share markets ending down 3.9%, 7.7% and 8.1% respectively. Share markets fell in response to the spread of the coronavirus outside of China and the potential negative impact on economic growth and company earnings from virus containment measures, such as reduced travel, quarantines, supply disruptions and consumer confidence.

Given these rising risks, which had not been fully reflected into share prices, the Fund reduced exposure to shares during the month to 56%. Typically the Fund averages around 78% in shares. Not all shares fell during the month with Fisher & Paykel Healthcare (FPH) (+10.6%) and a2 Milk (+8.7%) bucking the trend. FPH rose following an upgrade to its revenue and profit guidance as a result of strong growth in its Hospital product group - including increased demand from coronavirus. a2 Milk rose following a strong first half earnings result, which beat the market estimates, and its statement that it continues to see strong demand.

In the short-term markets are likely to remain volatile as investors focus on the potential impacts of the coronavirus. Whilst coronavirus will likely hit short-term economic activity and profits over the next year or so it has a much lower impact on the long-term value of companies. Additionally, stimulus measures are likely from governments and central banks (in the form of lower interest rates) which will help to cushion these economic impacts. Given the uncertainty caused by coronavirus the Fund is more cautious than typical with a lower allocation to shares and higher allocation to cash. The Fund remains active and will look to take advantage of market volatility to purchase shares at attractive valuations.

To view Milford's March 2020 Market and Economic Review please see [milfordasset.com/fact-sheet](http://milfordasset.com/fact-sheet).

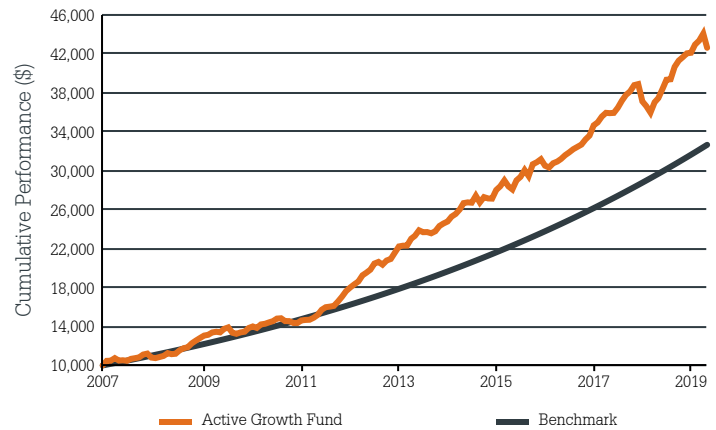
## External Ratings



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>	22% Income Assets / 78% Growth Assets
<b>Neutral FX Exposure</b>	16.0%
<b>Net Asset Value (NAV)</b>	\$1,199.4 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 29 February 2020<sup>4</sup>

Unit Price: \$3.979

	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)	-3.30%	-0.76%	13.80%	10.95%	9.83%	12.38%
After Tax 10.50%	-3.35%	-0.88%	13.41%	10.60%	9.46%	11.85%
After Tax 17.50%	-3.38%	-0.96%	13.15%	10.36%	9.22%	11.64%
After Tax 28.00%	-3.43%	-1.08%	12.76%	10.01%	8.86%	11.21%
Benchmark	0.76%	2.40%	10.00%	10.00%	10.00%	10.00%

## Top Equity Holdings

Holdings	% of Fund's NAV
a2 Milk Company	3.66%
Contact Energy	2.92%
Spark New Zealand	2.74%
iShares MSCI EAFE Min Vol ETF	2.28%
EBOS Group	1.83%
Fisher & Paykel Healthcare	1.73%
Summerset Group Holdings	1.57%
Microsoft Corp	1.41%
Alphabet	1.39%
Visa	1.27%

## Current Asset Allocation

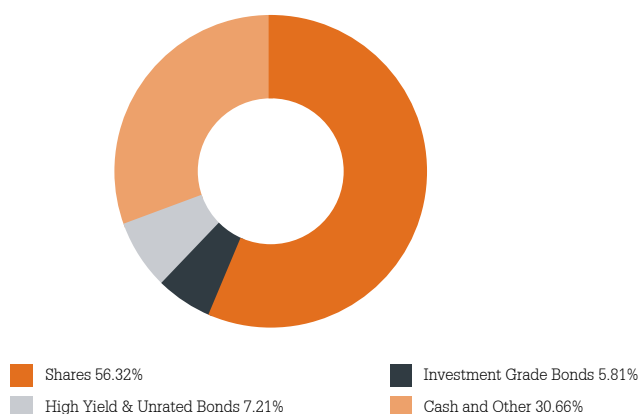
	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	30.66%	6.00%
New Zealand Fixed Interest	1.62%	4.00%
International Fixed Interest	11.40%	12.00%
New Zealand Equities	23.54%	26.00%
Australian Equities	10.04%	20.00%
International Equities	22.74%	32.00%
Other	0.00%	0%

## Top Fixed Interest Holdings

Holdings	% of Fund's NAV
CYBG 8% 2049	1.18%
Lloyds Bank 5.125% 2024	0.70%
Crown Resorts 5.795% 2075	0.65%
Rabobank 4.625% 2025	0.65%
Vodafone Group 6.25% 2078	0.65%
CYBG 7.875% 2028	0.63%
IAG Float 2045	0.56%
Barclays 5.875% 2024	0.55%
ASB Bank 5.25% 2026	0.53%
Lloyds Bank 7.5% 2025	0.46%

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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