MILFORD

Milford Investment Funds Monthly Review
March 2020

Market and Economic Review

Global share markets started February very strongly, however growing concern about the impact of the coronavirus on world economic growth turned sentiment very quickly and by month's end had impacted markets significantly.

Milford Funds were not immune to this weakness, with most Funds falling in value over the month as markets fell sharply. Defensive positioning in our Funds ahead of the decline did, however, reduce the magnitude of these falls. Monthly returns should also be taken in the context of strong longer-term returns and extreme market volatility. All Milford Funds have taken steps over the past month to mitigate risks from the virus - for more details see each Fund's monthly update.

Although the virus has been prevalent in China since before Christmas, the spread to the rest of the world has only occurred in the past few weeks. Markets were seemingly slow to react initially with the NZ, Australian and US share markets all making all-time highs at the beginning of February. This gave rise to opportunity for us to reduce share market exposure in the Funds. We felt this was prudent in order to protect against the risk that the virus spread further and created negative effects on economic growth and share markets.

Globally, government responses to virus outbreaks have been to quarantine cases and cancel public gatherings such as sports events and conferences. This strategy of containment potentially carries a high economic price - evidenced by sharply weaker measures of business activity in China over the past month. Although we believe these economic impacts are likely to be transitory, it is this short-term economic slowdown that has share market investors worried, given the potential for weaker company profits.

However, other more market-friendly responses are forthcoming, including monetary policy easing and government support for struggling businesses - something already being enacted in China. As we pass through the shorter-term negative impacts of the virus, these policy responses can help recoup lost economic growth and stabilise markets.

Milford Funds are well placed to weather the current storm. Share markets are often punctuated by bouts of volatility and whilst not to downplay the human and economic costs of the coronavirus outbreak, episodes such as these create opportunities for investors with a longer-term investment horizon. The Milford investment team have been working hard to navigate the volatility and continue to position Funds appropriately for the outlook.

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Milford Investment Funds Monthly Review as at 29 February 2020

Conservative Fund

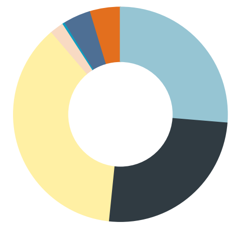
Portfolio Manager: Paul Morris

Despite a weak market backdrop, the Fund lost only 0.1% in February and is still up 8.6% over the past year. Going into the month positioning was slightly cautious (with less shares) as we were mindful of elevated valuations and heightened uncertainty associated with the coronavirus.

During February we further decreased the share allocation, reduced exposure to lower rated corporate bonds (which tend to underperform government bonds in uncertainty), increased sensitivity to interest rates (to benefit from falling rates) and increased cash. This served the Fund well as it reduced the impact of lower global and Australasian shares but increased the Fund's benefit from a fall in market interest rates associated with expectations for central bank rate cuts (as bond prices generally rose). The Fund also benefited from its small foreign currency exposure as the NZ dollar was weaker.

Until we get better clarity on the economic outlook we will retain this cautious positioning, even though we acknowledge improved valuations across some share and corporate bond markets. We will also retain the larger sensitivity to interest rates as protection against a further deterioration in the economic outlook, albeit rates are already very low. Looking forward, lower-for-longer interest rates, supportive monetary policy and possible government support should ultimately underpin bond and share markets but near-term uncertainty may see increased volatility.

Actual investment mix [1]



- Cash and Cash Equivalents# 26.31%
- New Zealand Fixed Interest 25.31%
- International Fixed Interest 37.11%
- New Zealand Equities 2.09%
- Australian Equities 0.35%
- International Equities 4.14%
- Listed Property 4.69%
- Other* 0%

The effective cash exposure (i.e. cash held at the bank) of the Fund is 11.4%. Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to reduce market exposure).

Diversified Income Fund

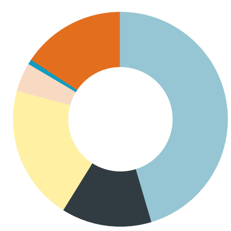
Portfolio Manager: David Lewis

The Fund made a loss of 1.2% in February, now flat this year, and up by 10.7% in the past year. This was a somewhat pleasing result against a very negative market backdrop.

The key positive contributors to Fund returns this month were firstly, our holdings of higher quality bonds (Australasian investment grade bonds returned 0.7%), and secondly a protection strategy we initiated mid-month which benefited from the subsequent decline in the US equity market (specifically, the Fund purchased put options on US shares).

In addition to this, the Fund was active with other strategies designed to protect capital. These included i) increasing the Fund's exposure to interest rates, to benefit from our expectation of rate cuts from global central banks; ii) reducing exposure to select corporate bonds; iii) reducing certain shares most exposed to virus risks (for example, Sydney Airport).

While the situation remains fluid, our current view is that global economic growth is being materially disrupted, albeit the duration of this remains uncertain. On the positive side, significant government and central bank support will follow, and market valuations have improved somewhat. Having described the Fund's strategy as 'moderately cautious' for several months, current positioning is now cautious, reflected for example in lower exposure to shares (21%) and a higher cash balance (14%). This could change reasonably quickly if valuations and/or risks improve notably over coming weeks and months.



- Cash and Cash Equivalents# 45.44%
- New Zealand Fixed Interest 13.40%
- International Fixed Interest 20.33%
- New Zealand Equities 4.34%
- Australian Equities 0.73%
- Listed Property 15.76%
- Other* 0%

The effective cash exposure (i.e. cash held at the bank) of the Fund is 14.4%. Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to reduce market exposure).

*Other includes currency derivatives used to manage foreign exchange risk.

[1] The actual investment mix incorporates the notional exposure value of equity derivatives and credit default swaps, where applicable.

Balanced Fund

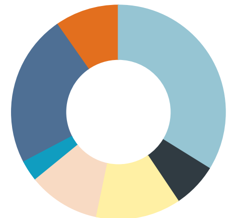
Portfolio Manager: Mark Riggall

The Fund returned -2.6% in February, bringing the 1-year return to 12.0%. The coronavirus outbreak sweeping the world will have significant economic impact as governments respond by restricting movement of people and cancelling public events. Global asset markets are reacting with share prices falling dramatically from recent peaks and bond prices going up as investors flock to the safety of income investments.

For the Balanced Fund, a number of factors are helping mitigate against falling markets. Firstly, diversification and particularly cash and bond holdings help anchor the Fund and provide stability against share price falls. Secondly, exposure to shares was reduced mid-month to protect against potential falls as the virus spread globally. Finally, stock selection has helped as we try and ensure that we are invested in companies that would have less direct impact from the outbreak. As a result, the Fund fell significantly less than it could have, had these measures not been in place.

Asset prices, including shares and bonds, have started to price in a degree of economic slowing. However, uncertainty remains very high, especially with regard the degree of short-term economic impact. Due to this uncertainty the positioning in the Fund remains cautious. Milford's investment team continue to monitor the situation closely and Fund positioning will be adjusted accordingly.

Actual investment mix [1]



- Cash and Cash Equivalents# 33.84%
- New Zealand Fixed Interest 6.75%
- International Fixed Interest 12.69%
- New Zealand Equities† 10.83%
- Australian Equities 3.18%
- International Equities 22.98%
- Listed Property 9.73%
- Other* 0%

The effective cash exposure (i.e. cash held at the bank) of the Fund is 16.4%. Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to reduce market exposure).

Active Growth Fund

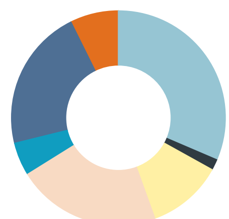
Portfolio Manager: Jonathan Windust

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.

Please note this Fund is closed to new investors.



- Cash and Cash Equivalents# 31.44%
- New Zealand Fixed Interest 1.62%
- International Fixed Interest 11.42%
- New Zealand Equities‡ 21.65%
- Australian Equities 5.02%
- International Equities 21.51%
- Listed Property 7.34%
- Other* 0%

The effective cash exposure (i.e. cash held at the bank) of the Fund is 18.4%. Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to reduce market exposure).

†Includes unlisted equity holdings of 0.31% ‡Includes unlisted equity holdings of 2.19% *Other includes currency derivatives used to manage foreign exchange risk.
[1]The actual investment mix incorporates the notional exposure value of equity derivatives and credit default swaps, where applicable.

Australian Absolute Growth Fund

Portfolio Manager: William Curtayne & Wayne Gentle

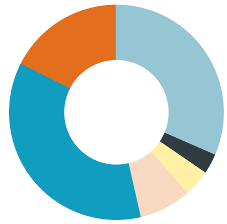
The Fund declined by 4.5% in February as the coronavirus spread globally driving the S&P/ASX 200 Index to a 7.7% decline. When Milford concluded earlier in the month that there was a high probability the virus would spread globally, we took some derivative protection and reduced our exposure to the most directly impacted businesses – mainly commodity and cyclical businesses.

As the market declined, we began to selectively buy higher quality companies that will be relatively insulated even if conditions worsen. These included Telstra, Woolworths, GPT Group, Dexus Property Group and Newcrest Mining. Woolworths may benefit as there is evidence many people are stockpiling essentials. In a similar fashion, core holding, The a2 Milk Company performed relatively strongly as mothers in China stockpiled infant formula.

AMA Group, a panel beating consolidator, was our largest detractor over the month after reporting a poor result due to a combination of dry weather, resulting in less vehicle collisions, and escalating costs to repair vehicles. We reduced our position to reflect the increasing financial risk of the business.

It is possible that markets continue to decline in the short-term. If this occurs, our skew to high quality businesses with minimal debt should see the Fund hold up better than the broader market while still positioned to benefit from a market recovery when coronavirus concerns abate.

Actual investment mix [1]



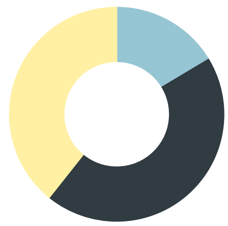
The effective cash exposure (i.e. cash held at the bank) of the Fund is 21.8%. Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to reduce market exposure).

Trans-Tasman Bond Fund

Portfolio Manager: Paul Morris

The negative economic impact of the coronavirus has overtaken cautiously optimistic Australasian central bank economic outlooks. Global and Australasian markets are now pricing emergency central bank rate cuts, resulting in materially lower market interest rates. That lifted prices across most of the Fund's bond holdings, albeit corporate bonds (to which the Fund is predominantly exposed) lagged the government/government related bond rally. This lag was most pronounced in lower rated bonds and in global bonds of Australasian issuers. Such underperformance is typical in periods of increased market uncertainty, but the Fund was positioned with lower allocations to both than its long run average. Therefore, coupled with an increased sensitivity to interest rates, it delivered a return of 0.7% in the month, a smidge behind its benchmark's return.

During the month we sold some of the Fund's less defensive corporate bond holdings and increased cash. Until we get better clarity on the economic outlook, we will refrain from increasing the corporate bond allocation, even with improved valuations relative to cash and government bonds. We will also retain the larger sensitivity to interest rates as protection from a further outlook deterioration. Looking forward, lower-for-longer interest rates and supportive monetary policy should underpin moderate returns but near-term uncertainty may see increased volatility.



The effective cash exposure (i.e. cash held at the bank) of the Fund is 6.8%. Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to reduce market exposure).

*Other includes currency derivatives used to manage foreign exchange risk.

[1]The actual investment mix incorporates the notional exposure value of equity derivatives and credit default swaps, where applicable.

Global Corporate Bond Fund

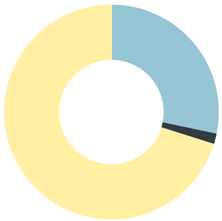
Portfolio Manager: Paul Morris

The negative coronovirus economic impact has heightened expectations for a wave of emergency central bank stimulus. Market interest rates are lower again, benefiting government bond prices. Corporate bonds have lagged however, and many high yield bond prices fell in the month. Such an outcome is not unusual during periods of economic shock as investor demand increased corporate bond returns relative to government bonds.

Given the uncertain backdrop and what were elevated corporate bond valuations (versus governments) the Fund had already slightly defensively settings. This cautious positioning increased during February; sensitivity to interest rates was increased and lower rated bond allocation reduced. The Fund was therefore able to deliver 0.3% in the month (0.2% more than its benchmark) and 8.3% over 1-year.

Looking forward, fiscal and monetary policy stimulus may support corporate bonds, but the range of economic outcomes remain wide. Therefore, irrespective of ever lower interest rates we retain interest rate sensitivity above neutral (to benefit from a fall if the backdrop deteriorates). We also wait for more clarity before increasing the allocation to lower rated bonds, irrespective of improved valuations. Looking forward, lower-for-longer interest rates and supportive central banks should underpin moderate returns but near-term increased volatility is likely until market (including corporate bond) interest rates settle.

Actual investment mix [1]



Cash and Cash Equivalents# 28.32%
New Zealand Fixed Interest 1.55%
International Fixed Interest 70.13%
Other* 0%

The effective cash exposure (i.e. cash held at the bank) of the Fund is 7.5%. Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to reduce market exposure).

Cash Fund

Portfolio Manager: Paul Morris

In February the Fund continued to successfully deliver on its objective to return in excess of the Reserve Bank of New Zealand (RBNZ) Official Cash Rate (OCR) after fees. It returned 0.12% in the month which was 0.04% above the benchmark.

In early February the RBNZ left the OCR unchanged at 1.0%, noting the outbreak of coronavirus as an emerging downside risk. Since then we have seen a substantial escalation of this risk and interest rate markets are now pricing in a high probability of OCR cuts sooner than was previously the case. This may result in lower absolute Fund returns in future.

The portfolio management of the Fund remains focussed 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.

As bank deposit rates continue to fall, we believe this should be an attractive, tax efficient (as a PIE vehicle), liquid (meaning investors have access to funds on request unlike term deposits) and low-risk alternative to bank term deposits.

Cash and Cash Equivalents 29.45%
New Zealand Fixed Interest 70.55%
Other* 0%

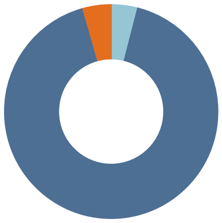
*Other includes currency derivatives used to manage foreign exchange risk.

[1]The actual investment mix incorporates the notional exposure value of equity derivatives and credit default swaps, where applicable.

Global Equity Fund

Portfolio Manager: Felix Fok

Actual investment mix [1]



The Fund fell 4.4% in February, outperforming the market which was down 6.5%. The spread of the coronavirus brought an end to the strong run in global share markets, although a weak NZ dollar helped buffer the fall in international shares. The Fund outperformed as the holdings held up in weak markets.

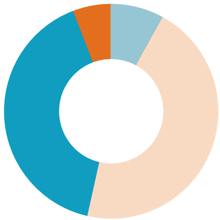
Zillow (+20.8%) beat market expectations with its recent results. The US property website is reinventing its business to better serve the needs of sellers, buyers, and renters. By making instant cash offers to home sellers, Zillow facilitates and accelerates transactions that benefit all its business segments. Nexi (+13.6%), an Italian payments company, rose prior to the outbreak in the country. The move to electronic payments (over cash & cheques) is a powerful, long term, global theme that has contributed to the performance of the Fund since inception.

The largest detractor was Martin Marietta (-13.5%). The company owns quarries and sells crushed rock for US public and private construction work. The company reported results which were impacted by weather, infrastructure project delays, and unplanned maintenance. Otherwise, volume and pricing grew steadily. Apple (-11.5%) has been directly impacted by the virus as iPhone factories and retail stores closed in China. The team continues to monitor the development and impact of the virus for all holdings.

The economic backdrop has weakened given the global spread of the virus. We expect volatility in the short term given uncertainty on the breadth, depth and duration of the disruption. The portfolio remains focused on our key investment themes and dominant companies.

Trans-Tasman Equity Fund

Portfolio Manager: Sam Trethewey & Wayne Gentle



The Fund fell 5.3% in February. Over the February reporting season, the Fund performed strongly compared to the local equity markets. The Fund fell late in the month as coronavirus concerns lifted. The Fund return compares to a -3.9% return from the NZX 50 and a -7.7% return for the ASX 200.

Key highlights of the February reporting season included: a2 Milk (+8.7%), the company reported 33% revenue growth in its infant nutrition business; and IDP Education (+19.6%), an tertiary language testing and placement provider that demonstrated strong profit growth and margin expansion.

Over the month our team was busy ensuring the Fund is well positioned to minimise the impact of coronavirus on the Fund. The reporting season provided an opportunity to meet with management of many of our Fund holdings and discuss the implications of the virus. The most immediate earnings impact is via tourism exposures like Air New Zealand and those involved in the export supply chain to China like Port of Tauranga. Several downgraded their earnings outlook during the month and will face further earnings pressure if the virus continues to spread. We have very limited exposure to these in the Fund. More positive anecdotes from the meetings included: a2 Milk (8.5% of the Fund), who is seeing increased demand for its infant formula products; and Fisher & Paykel Healthcare (7.3% of the Fund), who are seeing a spike in demand for respiratory masks and equipment from China. We exited our holding in Sydney Airport and Qantas and reduced our holding in Auckland Airport. We also took the opportunity to selectively add to some of our preferred holdings when the market discounted them, this included Xero and Mainfreight.

Looking ahead we expect to remain active, navigating through short term volatility and ensuring the Fund remains well positioned to generate attractive returns in the medium term. We have positioned the Fund in holdings where we believe the medium-term return prospects remain attractive.

*Other includes currency derivatives used to manage foreign exchange risk.

[1]The actual investment mix incorporates the notional exposure value of equity derivatives and credit default swaps, where applicable.

Dynamic Fund

Portfolio Manager: William Curtayne & Michael Higgins

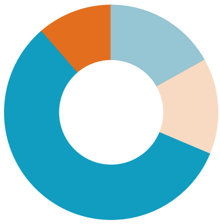
February saw big sell-offs in the Australian share market as the coronavirus spread globally. The Fund was down 7.6%, compared with the 8.7% fall in the Small Ordinaries Index.

Having concluded that there was a high probability the virus would spread globally, we moved to de-risk the Fund by selling over-valued shares and holding more cash. In addition, we diversified into companies that could benefit from the virus such as Fisher & Paykel Healthcare who manufacture respiratory support technology, and companies that remain unaffected by the virus like global patent attorney IPH.

Winners for the month included Gold miners Evolution (+11.3%) and Northern Star (+6.8%) as the Australian dollar came under pressure and the gold price rallied on increased uncertainty; infant formula company a2 Milk increased by 8.7%, solidifying its status as a premium consumer staple for families; and IDP Education was up by 19.6% after it delivered an upgrade. Underperformers included EML payments (-31.2%) which missed the markets lofty expectations. We reduced our position in AMA Group (-42.9%) reflecting increased financial risks after a poor-quality result.

We've entered March positioned cautiously with an elevated cash position of about 17%. We continue to rotate into quality companies with minimal debt, expecting that this will provide some resistance to weather further volatility.

Actual investment mix [1]



Upcoming Distributions	Target	Payment Date
Conservative Fund	0.5 cents (Quarterly)	16/04/2020
Diversified Income Fund	1.1 cents (Quarterly)	21/05/2020
Trans-Tasman Bond Fund	0.45 cents (Quarterly)	19/03/2020
Global Corporate Bond Fund	0.45 cents (Quarterly)	19/03/2020
Trans-Tasman Equity Fund	1.5 cents (Biannually)	19/03/2020

*Other includes currency derivatives used to manage foreign exchange risk.

[1] The actual investment mix incorporates the notional exposure value of equity derivatives and credit default swaps, where applicable.

Milford Investment Funds Monthly Review as at 29 February 2020

Fund Performance

	Past month	1 year	3 years (p.a.)	5 years (p.a.)	Since Fund inception (p.a.)	Unit price $	Fund size $
Multi-Asset Funds							
Conservative Fund*	-0.13%	8.56%	6.71%	—	6.75%	1.1931	407.3 M
Diversified Income Fund*	-1.16%	10.74%	8.71%	9.11%	11.29%	1.8155	2,476.8 M
Balanced Fund	-2.60%	11.99%	9.00%	8.12%	9.84%	2.4413	815.5 M
Active Growth Fund#	-3.30%	13.80%	10.95%	9.83%	12.38%	3.9790	1,199.4 M
Australian Absolute Growth Fund	-4.47%	12.54%	—	—	6.20%	1.1245	194.2 M
Cash and Fixed Income Funds							
Trans-Tasman Bond Fund*^	0.70%	6.92%	5.51%	4.96%	5.72%	1.1867	732.3 M
Global Corporate Bond Fund*^	0.32%	8.26%	5.25%	—	5.48%	1.0861	672.4 M
Cash Fund	0.12%	1.79%	—	—	—	1.0179	63.3 M
Equity Funds							
Global Equity Fund†	-4.45%	13.49%	9.63%	6.75%	8.21%	1.7058	653.3 M
Trans-Tasman Equity Fund*	-5.27%	18.67%	15.78%	12.77%	11.55%	3.1719	460.9 M
Dynamic Fund	-7.62%	17.48%	12.64%	10.24%	12.09%	2.0574	294.9 M

For details of how investment performance is calculated, and returns at each PIR please see www.milfordasset.com/funds-performance/view-performance#tab-performance.
Performance figures are after total Fund charges have been deducted and at 0% PIR.
Please note past performance is not a guarantee of future returns.
Inception dates for the Funds: Active Growth Fund: 1 October 2007, Trans-Tasman Equity Fund: 1 October 2007, Balanced Fund: 1 April 2010, Diversified Income Fund: 1 April 2010, Global Equity Fund: 12 April 2013, Dynamic Fund: 1 October 2013, Trans-Tasman Bond Fund: 2 December 2013, Conservative Fund: 1 September 2015, Global Corporate Bond Fund: 1 February 2017, Australian Absolute Growth Fund: 1 March 2018, Cash Fund: 1 March 2019.
*Performance figures include the reinvestment of the Funds' distribution.
^Returns prior to 1 March 2018 are from when the Fund was previously offered to wholesale investors only and have been adjusted for current Fund charges.
†Returns prior to 1 October 2018 are from when the Fund was structured to achieve an absolute return.
#The Active Growth Fund is closed to new investors.

Key Market Indices

	Past month	1 year	3 years (p.a.)	5 years (p.a.)	7 years (p.a.)
S&P/NZX 50 Gross Index (with imputation credits)	-3.86%	21.90%	17.51%	15.21%	16.03%
S&P/ASX 200 Accumulation Index (AUD)	-7.69%	8.64%	8.59%	6.17%	7.96%
S&P/ASX 200 Accumulation Index (NZD)	-7.16%	8.23%	7.81%	6.29%	5.35%
MSCI World Index (local currency)*	-8.10%	5.33%	7.05%	6.24%	9.49%
MSCI World Index (NZD)*	-4.48%	14.97%	12.87%	10.18%	12.88%
S&P/NZX 90-Day Bank Bill Rate	0.13%	1.56%	1.85%	2.24%	2.48%
Bloomberg Barclays Global Aggregate Bond (USD-Hedged)	1.22%	10.22%	5.18%	3.93%	4.03%
S&P/NZX NZ Government Bond Index	1.52%	7.34%	5.93%	5.08%	4.78%

*With net dividends reinvested

Top Security Holdings (as a percentage of the Fund's Net Asset Value)

Multi-Asset Funds

Conservative Fund	Diversified Income Fund	Balanced Fund	Active Growth Fund	Australian Absolute Growth Fund
NZLGFA 1.5% 2029 1.44%	Spark New Zealand 2.17%	a2 Milk Company 1.67%	a2 Milk Company 3.66%	National Australia Bank 4.89%
Westpac 2.6% 2020 1.27%	Transurban Group 2.04%	Spark New Zealand 1.60%	Contact Energy 2.91%	Woolworths 4.41%
John Deere 1.75% 2024 1.20%	Mirvac Group 1.74%	Contact Energy 1.42%	Spark New Zealand 2.74%	Telstra Corp 4.21%
Vector 3.45% 2025 1.17%	Contact Energy 1.47%	Microsoft Corp 1.30%	iShares MSCI EAFE Min Vol ETF 2.28%	Westpac Banking Corp 3.84%
ASB Bank 1.83% 2024 1.11%	Westpac 2.63% 2020 1.30%	Alphabet 1.22%	EBOS Group 1.83%	GPT Group 3.22%
ANZ Bank 3.03% 2024 1.03%	Lendlease 4.5% 2026 1.26%	Transurban Group 1.08%	Fisher & Paykel Healthcare 1.73%	Charter Hall Group 2.91%
Synlait Milk 3.83% 2024 1.01%	Charter Hall Education Trust 1.26%	Fisher & Paykel Healthcare 1.04%	Summerset Group Holdings 1.57%	a2 Milk Company 2.86%
Lendlease 4.5% 2026 0.98%	Charter Hall Group 1.14%	Amazon 1.00%	Microsoft Corp 1.41%	Sealink Travel Group Ltd 2.43%
ANZ Bank 1.6743% 2025 0.96%	Bank of America 3.458% 2025 1.12%	Mirvac Group 0.91%	Alphabet 1.38%	Newcrest Mining 2.35%
ANZ Bank Float 2024 0.92%	Mirvac Group 3.625% 2027 1.09%	Visa 0.89%	Visa 1.27%	Mirvac Group 2.20%

Note: Fixed interest securities are reported in the following format: Issuer name, interest (coupon) rate, maturity year, size of fund holding (as % of total portfolio).

Cash and Fixed Income Funds

Trans-Tasman Bond Fund	Global Corporate Bond Fund	Cash Fund
NZLGFA 1.5% 2029 3.17%	Kerry Group 0.625% 2029 2.01%	Auckland Airport CD 2020 4.86%
ANZ Bank 3.03% 2024 2.34%	John Deere 1.75% 2024 1.97%	Kiwibank 2.1% 2020 4.58%
ASB Bank 1.83% 2024 2.19%	Danaher Corp 0.45% 2028 1.91%	TSB Bank CD 2020 4.57%
ANZ Bank Float 2024 2.10%	Dell Float 2023 1.90%	Westpac CMD 2019 4.52%
Macquarie Float 2025 1.99%	NXP BV 4.3% 2029 1.89%	Bank Of China 2.4% 2020 4.43%
ANZ Bank 1.6743% 2025 1.91%	Seagate 4.75% 2025 1.82%	Mercury CD 2020 4.43%
Westpac 2.22% 2024 1.87%	McDonald's 3% 2024 1.71%	SBS Bank CD 2020 4.43%
Housing NZ 3.36% 2025 1.82%	QBE 6.75% 2044 1.61%	Port of Tauranga CD 2020 4.42%
John Deere 1.75% 2024 1.81%	FBG Finance 3.25% 2022 1.54%	Transpower CD 2020 4.42%
ING Group 1.45% 2024 1.78%	Aroundtown 4.5% 2025 1.44%	Meridian Energy CD 2020 4.42%

Note: Fixed interest securities are reported in the following format: Issuer name, interest (coupon) rate, maturity year, size of fund holding (as % of total portfolio).

Top Security Holdings (as a percentage of the Fund's Net Asset Value)

Equity Funds

Global Equity Fund	Trans-Tasman Equity Fund	Dynamic Fund
Microsoft Corp 4.42%	a2 Milk Company 8.47%	Credit Corp Group 3.68%
Alphabet 4.13%	Fisher & Paykel Healthcare 7.33%	Collins Foods 3.17%
Amazon 3.67%	CSL 4.32%	Bapcor 3.09%
CME Group 2.92%	Xero 3.91%	Australian Finance Group 3.03%
Visa 2.87%	Ryman Healthcare 3.56%	Seven Group Holdings 2.87%
Mastercard 2.87%	BHP Group 3.32%	Evolution Mining 2.84%
Taiwan Semiconductor 2.59%	Mainfreight 3.22%	Charter Hall Group 2.78%
S&P Global 2.58%	Contact Energy 3.20%	Northern Star Resources 2.75%
Costco Wholesale Corp 2.50%	Spark New Zealand 2.82%	EQT Holdings 2.74%
Apple 2.49%	Rio Tinto 2.50%	a2 Milk Company 2.73%

Note: Fixed interest securities are reported in the following format: Issuer name, interest (coupon) rate, maturity year, size of fund holding (as % of total portfolio).

Milford and Milford staff have approximately $29.4 million invested across our Unit Trust PIE Funds as at the end of February 2020.

Michael Luke
Investment Analyst

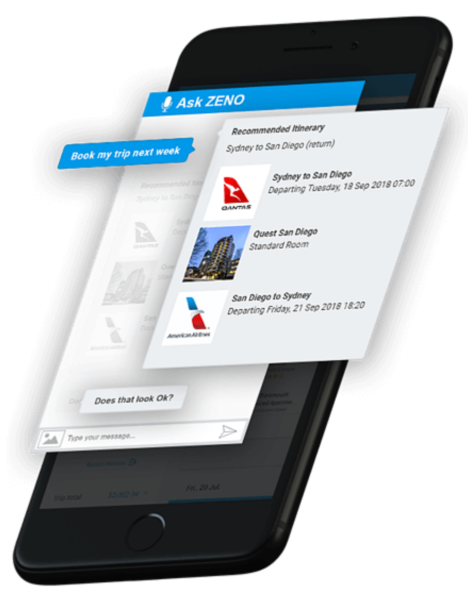
Investment Highlight - Serko

Serko is a technology company that has developed an online travel and expense tool for corporate travellers. It has been a favourite small cap holding in our funds since we participated in their 2014 initial public offering at $1.10. Our initial investment thesis was based on the company's technology and their passionate and highly driven management team led by CEO & Co-founder Darrin Grafton.

Like most industries, corporate travel has seen significant disruption due to the rise of technology. Traditionally, employees would book their flights and hotels through a travel agent over the phone or email, which is inefficient and costly, or book their own travel directly, which while easier made it hard for corporates to enforce travel policies and use company discounts. This saw corporate travel agents start to offer online booking tools like Serko, which allows travellers to book their own flights, hotels and transfers through a single platform, saving money and allowing agents to concentrate on complex bookings and support.

A range of tools have been around since the 1990's but they had limitations and the user experience was poor. Serko offers an independent solution that corporate travel agents can tailor and offer to their own customers, paying Serko a fee per booking. We use Serko at Milford and can see the potential of the product.

After Serko's listing, a series of earnings disappointments saw the share price fall to a low of 25c. While growth was slower than expected, Serko continued to invest in developing their product capabilities. In 2017 the value of this work became evident with the launch of Serko Zeno, a new and improved travel tool with an intuitive design that makes booking even easier. With Zeno, Serko were able to sign agreements with some large corporate travel agents to expand into North America and Europe triggering a significant increase in share price to above $5.00. These agreements include Booking.com, the world's largest online travel agency, who signed an agreement in late 2019 to offer Serko to their customer base. As a part of the agreement Booking.com acquired a 4.8% stake in Serko, which is a strong validation of their technology.



Today over 50% of Australasian corporate travel bookings use Serko and they have a large growth opportunity overseas. We do note Serko now trades at a high valuation and is not making a profit due to continued investment in growth. We continue to follow the company closely.

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