

Active Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 March 2020



Portfolio Managers



Jonathan Windust
Portfolio Manager



William Curtayne
Co-Portfolio Manager

The Fund fell 12.1% in March and was negatively impacted by sharp falls in share markets with NZ, Australian and US share markets ending down 13.0%, 20.7% and 12.8% respectively. Share markets fell in response to the continued spread of the coronavirus across the globe and the negative impact on economic growth and company earnings from virus containment measures.

Bond markets were also negatively impacted as investors became more cautious and looked to raise cash levels. We were disappointed with the level of performance of the Fund given our defensive positioning and higher levels of cash - approximately 12%. Areas of relative weakness included our bias towards corporate bonds, real estate, small companies and Australia which were all particularly weak. Medium-term these parts of the market have provided strong risk adjusted returns and we expect this to continue looking forward.

Key positives during the month included the Fund's largest holdings Fisher & Paykel Healthcare (+17.8%) and a2 Milk (+5.5%), which are potential beneficiaries of the coronavirus. During the month we increased our holdings in companies which are likely to benefit from shutdowns including NZ telecoms company Spark, Australian supermarket Coles and US video game makers Electronic Arts and Activision Blizzard. We believe video games will be a key beneficiary as people are forced to isolate in their homes over the next few months and will be looking for entertainment.

In the short-term markets are likely to remain volatile as investors focus on the potential impacts of the virus. Whilst the coronavirus will hit short-term economic activity and company profits over the next year or so, it should have a much lower impact on the long-term value of companies. Additionally, very large stimulus measures are likely from governments and central banks which will help to cushion these economic impacts. Given the uncertainty caused by the coronavirus the Fund remains cautious with a lower allocation to shares and higher allocation to cash than typical. However, we are excited that this market will provide great opportunities for active management, allowing us to purchase companies with strong long-term growth potential at attractive prices.

To view Milford's April 2020 Market and Economic Review please see milfordasset.com/fact-sheet.

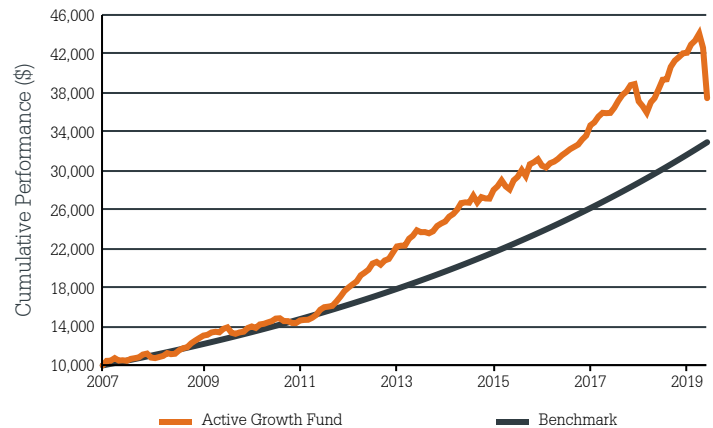
External Ratings.



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

Objective ¹	Annual returns of 10% over a minimum of five years
Description	Diversified fund that primarily invests in equities, with a moderate allocation to fixed interest securities
Target Allocation	22% Income Assets / 78% Growth Assets
Neutral FX Exposure	16.0%
Net Asset Value (NAV)	\$1,017.7 M
Buy-sell Spread	None
Inception Date	1 October 2007
Status	Closed to new investors
Benchmark	10% p.a.
Base Fund Fee ²	1.06%
Performance Fee	15% of the Fund's returns above the Benchmark ¹ , subject to the high watermark.
Total Fund Fees ³	1.39% (includes an est. performance fee)
Risk Indicator	<div style="display: flex; justify-content: space-between;"> Lower risk Higher risk </div> <div style="text-align: center;"> </div> <div style="display: flex; justify-content: space-between;"> Potentially lower returns Potentially higher returns </div>

Investment Performance after fees as at 31 March 2020⁴

Unit Price: \$3.4937

	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)	-12.14%	-13.63%	-2.45%	5.83%	6.96%	11.14%
After Tax 10.50%	-12.08%	-13.57%	-2.66%	5.53%	6.65%	10.62%
After Tax 17.50%	-12.05%	-13.53%	-2.80%	5.33%	6.44%	10.42%
After Tax 28.00%	-12.00%	-13.47%	-3.01%	5.02%	6.12%	10.00%
Benchmark	0.81%	2.40%	10.00%	10.00%	10.00%	10.00%

Top Equity Holdings

Holdings	% of Fund's NAV
a2 Milk Company	4.76%
Spark New Zealand	3.22%
Fisher & Paykel Healthcare	3.17%
Contact Energy	2.98%
Microsoft Corp	2.11%
Alphabet	2.04%
Summerset Group Holdings	1.56%
EBOS Group	1.37%
Home Depot	1.27%
Activision Blizzard	1.18%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash [#]	27.68%	6.00%
New Zealand Fixed Interest	1.88%	4.00%
International Fixed Interest	14.03%	12.00%
New Zealand Equities	21.99%	26.00%
Australian Equities	9.55%	20.00%
International Equities	24.87%	32.00%
Other	0.00%	0%

[#] The actual cash held by the Fund is 12.28%. 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's NAV
Commonwealth of Australia 5.5% 2023	2.41%
CYBG 8% 2049	1.11%
Vodafone Group 6.25% 2078	0.75%
CYBG 7.875% 2028	0.68%
Crown Resorts 5.795% 2075	0.66%
Rabobank 4.625% 2025	0.66%
Lloyds Bank 5.125% 2024	0.62%
ASB Bank 5.25% 2026	0.60%
Barclays 5.875% 2024	0.47%
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



Shares 56.41%

High Yield & Unrated Bonds 7.82%

Investment Grade Bonds 8.09%

Cash and Other 27.68%

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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