

Active Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 September 2020



Portfolio Managers



Jonathan Windust
Portfolio Manager



William Curtayne
Co-Portfolio Manager

The Fund fell 0.6% in September as share markets gave back some of their recent strong gains. Share price falls were greatest in the US and in the technology sector where prices and valuations had risen sharply.

Key positive company investments during the month included Contact Energy (+6.4%) and US construction materials company Martin Marietta (+16.0%). Contact benefitted from the Labour party's announcement to provide support to keep the Tiwai Point smelter, NZ's largest electricity user, operating for another 3 to 5 years. Martin Marietta benefitted from a strong US housing market and the potential for increased government spending on infrastructure. A key addition to the portfolio was a fixed income investment in Scentre Group, the owner of Westfield shopping malls in New Zealand and Australia. The issue has a fixed yield of 5.1% which we believe is very attractive given its well-positioned premium shopping mall portfolio. The Fund sold NZ dollar and increased exposure to the US dollar during the month, reflecting the aggressive policy of our Reserve Bank in terms of bond buying and potentially negative rates. Low rates make NZ much less attractive to foreign investors reducing demand for the NZ dollar.

The short-term outlook for shares remains uncertain with rising virus cases, potentially reduced government support, elections, BREXIT and historically high valuations. The main positives remain very strong stimulus measures and very low interest rates which create demand for shares as investors look for a return. A vaccine would be a positive for economies although some companies that have benefitted from the virus and working from home may see headwinds. On balance we expect shares to outperform over the medium-term but remain volatile given the high level of uncertainty. The strategy of the Fund is to remain active and invest in a combination of reasonably priced growth companies and companies which offer value and attractive yields.

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

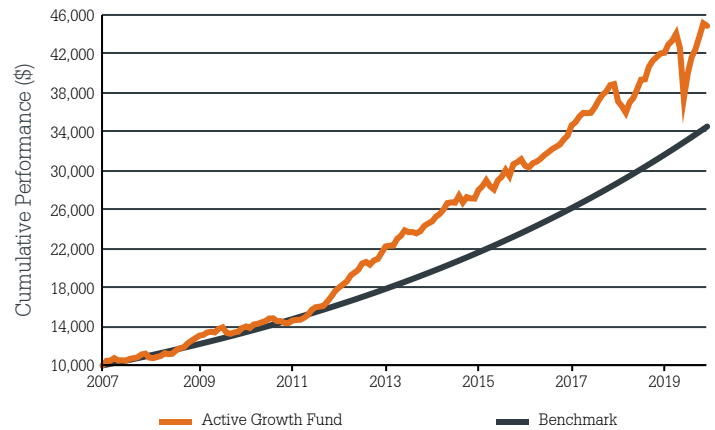
External Ratings



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	15.0%
Net Asset Value (NAV)	\$1,274.9 M
Buy-sell Spread	None - swing pricing applies (see PDS for details)
Inception Date	1 October 2007
Status	Closed to new investors
Benchmark	10% p.a.
Base Fund Fee ²	1.05%
Performance Fee	15% of the Fund's returns above the Benchmark ¹ , subject to the high watermark.
Total Fund Fees ³	1.30% (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;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between;"> Potentially lower returns Potentially higher returns </div>

Investment Performance after fees as at 30 September 2020⁴

Unit Price: \$4.181

	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)	-0.58%	5.66%	6.70%	10.11%	10.58%	12.24%
After Tax 10.50%	-0.64%	5.56%	6.45%	9.82%	10.31%	11.72%
After Tax 17.50%	-0.68%	5.49%	6.29%	9.63%	10.13%	11.52%
After Tax 28.00%	-0.73%	5.39%	6.04%	9.34%	9.86%	11.10%
Benchmark	0.79%	2.43%	10.00%	10.00%	10.00%	10.00%

Top Equity Holdings

Holdings	% of Fund's NAV
Spark New Zealand	4.17%
Fisher & Paykel Healthcare	4.10%
Summerset Group Holdings	2.61%
a2 Milk Company	2.29%
Contact Energy	2.06%
Dr Horton	1.97%
Charter Hall Retail	1.64%
EBOS Group	1.61%
Microsoft Corp	1.58%
Alibaba Group	1.54%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	10.81%	6.00%
New Zealand Fixed Interest	1.01%	2.00%
International Fixed Interest	12.89%	14.00%
New Zealand Equities	24.74%	22.00%
Australian Equities	17.57%	18.00%
International Equities	32.98%	38.00%
Other	0.00%	0%

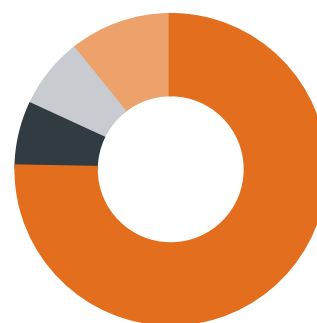
The actual cash held by the Fund is 6.11%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

Holdings	% of Fund's NAV
Scentre Group 5.125% 2080	1.64%
CYBG 8% 2049	1.13%
Natwest 6% Perpetual	0.71%
Vodafone Group 6.25% 2078	0.60%
Crown Resorts 5.795% 2075	0.60%
Lloyds Bank 5.125% Perpetual	0.59%
CYBG 7.875% 2028	0.54%
Credit Suisse 7.5% 2023	0.50%
Barclays 5.875% 2024	0.47%
AusNet Float 2080	0.44%

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

Fund Portfolio Mix



■ Shares 75.29%

■ High Yield & Unrated Bonds 7.33%

■ Investment Grade Bonds 6.58%

■ Cash and Other 10.80%

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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