

# Active Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 January 2021



## Portfolio Managers



**Jonathan Windust**  
Portfolio Manager



**William Curtayne**  
Co-Portfolio Manager

The Fund had a flat return in January. Share markets started the month strongly however ended largely muted with New Zealand up 0.3%, Australia up 0.3% and global down 0.8%. Volatility across shares remains high as investors continue to look for the next winner; for example, Contact Energy was up 21% during the month but finished the month down 8.3%.

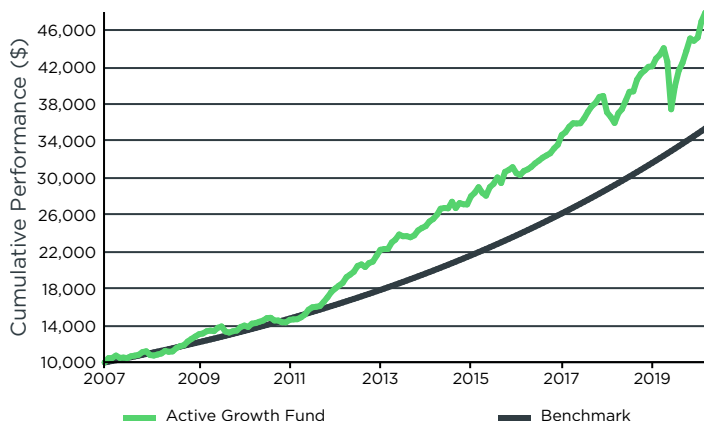
Key positive companies during the month included healthcare companies Fisher & Paykel Healthcare (+5.1%) and Thermo Fisher (+9.4%), and US home builder DR Horton (+11.4%). All three reported strong earnings updates. During the month, the Fund added to holdings in US bank JP Morgan and UK Bank Virgin Money. We believe banks are attractively valued and earnings will benefit from a combination of lower bad debts, more loans and higher interest rates on their investments. We also added to our holding in Microsoft which delivered a very strong result with quarterly profits rising 34% over the year. Microsoft continues to benefit from increased technology spend and, in particular, cloud spending where it has a strong competitive position.

The outlook for share markets is supported by the expectation of an economic rebound in 2021, an improvement in company earnings (as COVID headwinds subside), ultra-low interest rates and high levels of liquidity. Low interest rates continue to drive investors to shares. The key headwind for markets is relatively high market valuations and generally optimistic investor sentiment. On balance, we retain a positive outlook for shares over 2021 for which the Fund currently holds a higher-than-average allocation. We remain active to isolate those shares which we believe will provide strong risk-adjusted returns.

To view Milford's February 2021 Market and Economic Review please see [milfordasset.com/fact-sheet](http://milfordasset.com/fact-sheet).

## 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<sup>1</sup>** 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)** \$1,389.8 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<sup>2</sup>** 1.05%

**Performance Fee** 15% of the Fund's returns above the Benchmark<sup>1</sup>, subject to the high watermark.

**Total Fund Fees<sup>3</sup>** 1.30% (includes an est. performance fee)



## External Ratings



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

## Active Growth Fund as at 31 January 2021

### Investment Performance after fees as at 31 January 2021<sup>4</sup>

Unit Price: \$4.4625

	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)	-0.02%	5.94%	8.70%	10.05%	11.03%	12.46%
After Tax 10.50%	-0.07%	5.79%	8.37%	9.73%	10.71%	11.94%
After Tax 17.50%	-0.10%	5.68%	8.14%	9.52%	10.50%	11.73%
After Tax 28.00%	-0.15%	5.53%	7.81%	9.20%	10.18%	11.31%
Benchmark	0.81%	2.43%	10.00%	10.00%	10.00%	10.00%

### Top Equity Holdings

Holdings	% of Fund
Fisher & Paykel	4.57%
Spark	3.68%
Summerset	2.91%
Dr Horton	2.13%
Microsoft	1.94%
Virgin Money	1.93%
EBOS Group	1.68%
BHP	1.67%
Kiwi Property	1.65%
Telstra	1.43%

### Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	9.93%	6.00%
New Zealand Fixed Interest	0.88%	2.00%
International Fixed Interest	9.43%	14.00%
New Zealand Equities	26.02%	22.00%
Australian Equities	18.05%	18.00%
International Equities	35.53%	38.00%
Other	0.16%	0%

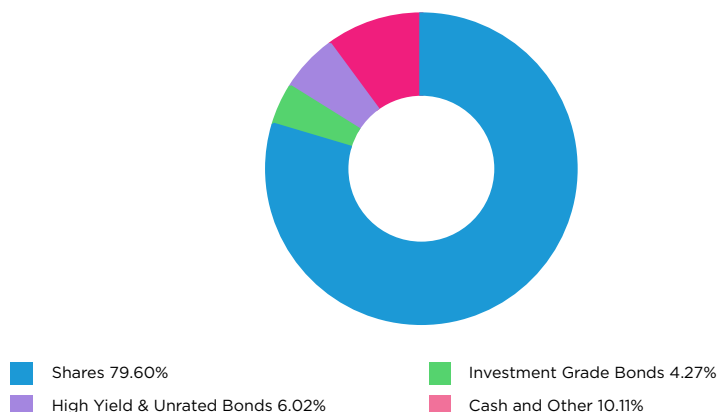
# The actual cash held by the Fund is 5.28%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

### Top Fixed Interest Holdings

Holdings	% of Fund
Scentre Group 5.125% 2080	1.45%
CYBG 8% 2049	1.09%
NatWest 6% Perpetual	0.62%
Lloyds Bank 5.125% Perpetual	0.55%
Crown Resorts 5.795% 2075	0.51%
CYBG 7.875% 2028	0.49%
Barclays 5.875% 2024	0.44%
Lloyds Bank 7.5% Perpetual	0.34%
Barclays 7.75% Perpetual	0.34%
Vodafone 6.25% 2078	0.33%

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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