

Milford

Monthly Fund Overview

February 2024

Newton's 1st Law: An object in motion remains in motion

February delivered broadly positive fund performance for the fourth month in a row. The year-to-date theme of strong shares and weaker bonds persists, with notable outperformance of global shares over NZ and Australian shares.

The past month has seen companies around the world reporting results, keeping Milford's investment team busy as we assess the outlook for our holdings. It was pleasing to see some strong results from our key holdings. Technology companies and excitement over AI is garnering plenty of attention, and our funds have been invested in companies along this theme. Meta is a core holding and announced impressive annual revenue growth of 25%, sending the stock up 26% last month and 50% over the past three months.

Uber Technologies is another stock we have invested in heavily. The company is focused on becoming a blue-chip investment and this is paying off as the shares rallied 22% last month and 41% over the past three months. Some lower profile stocks are also delivering solid returns. For example, Spanish airport operator Aena has been quietly rallying over the past few months, including a 6.6% gain in February.

Australian and NZ shares were clear underperformers, but company reporting

continues to offer opportunities for stock picking. In Australia, property company Goodman Group continues to be a solid performer, up 18% in the past month as its strategy of investing in data centres resonates with investors. NZ shares are persistently lagging global peers and we remain firmly underweight. We have also largely avoided exposure to the cyclical industries, which are struggling as household finances are under pressure from higher mortgage rates.

Compared to where we were a few short months ago, there has been an impressive turnaround in markets. Strong, consumption-led growth in the US has offset weakness elsewhere and fears of recession, or the impact of it on company earnings, has receded. This optimism has seen a surge in bond yields this year. But so far, yields have yet to move high enough to stop the momentum in markets – particularly the red-hot AI-related thematic. A more benign outlook provides fertile ground for stock picking. Whilst we are wary of the pace and narrowness of the rally so far, it does appear to be the result of “rational exuberance” rather than a broad bubble at this stage.

Milford Fund Performance as at 29 February 2024

Milford Investment Funds

	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*	0.37%	5.93%	1.78%	3.56%	4.65%	1.2100	521.4 M
Diversified Income Fund*	0.07%	3.72%	3.44%	4.78%	8.95%	1.8471	2,671.4 M
Balanced Fund	0.52%	6.88%	5.30%	7.68%	8.91%	3.1334	1,660.4 M
Active Growth Fund	1.60%	12.03%	7.58%	10.20%	11.63%	5.6273	3,220.2 M
Australian Absolute Growth Fund	-1.99%	6.27%	6.24%	9.82%	8.16%	1.5894	675.2 M
Aggressive Fund	3.80%	17.04%	—	—	5.29%	1.1444	1,615.2 M
Cash and Fixed Income Funds							
Trans-Tasman Bond Fund**	0.06%	7.01%	0.40%	2.07%	3.81%	1.1385	1,343.0 M
Global Corporate Bond Fund**	-1.13%	6.74%	-0.54%	2.01%	2.64%	1.0217	389.4 M
Cash Fund	0.46%	5.61%	3.02%	2.25%	2.25%	1.1180	692.6 M
Equity Funds							
Global Equity Fund†	4.84%	19.24%	8.48%	11.78%	9.36%	2.6101	442.2 M
Trans-Tasman Equity Fund*	-0.29%	7.82%	4.55%	9.65%	10.55%	4.0437	648.4 M
Dynamic Fund#	1.43%	15.20%	6.63%	13.10%	12.07%	3.2253	704.0 M

For details of how investment performance is calculated, and returns at each PIR please see www.milfordasset.com/funds-performance/view-performance#tabperformance.

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, Aggressive Fund: 21 June 2021.

* 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.

Closed to new investment.

Upcoming Distributions

Fund	Target	Payment Date
Conservative Fund	0.95 cents (Quarterly)	18/04/2024
Diversified Income Fund	1.7 cents (Quarterly)	16/05/2024
Trans-Tasman Equity Fund	1.5 cents (Biannually)	14/03/2024
Trans-Tasman Bond Fund	0.95 cents (Quarterly)	14/03/2024
Global Corporate Bond Fund	0.85 cents (Quarterly)	14/03/2024

Milford, its staff and their families, have approx. \$124.4 million invested in Milford's Investment Funds as of February 2024.

Milford Fund Performance as at 29 February 2024

Milford KiwiSaver Plan

	Past month	1 year	3 years (p.a.)	5 years (p.a.)	Since Fund Inception (p.a.)	Unit price \$	Fund size \$
KiwiSaver Conservative Fund	0.04%	5.90%	1.82%	3.57%	6.67%	2.0508	231.2 M
KiwiSaver Moderate Fund	0.57%	6.62%	3.58%	—	6.32%	1.2665	155.6 M
KiwiSaver Balanced Fund	0.88%	7.37%	5.45%	7.89%	9.14%	3.2281	1,348.4 M
KiwiSaver Active Growth Fund [^]	1.67%	12.01%	7.66%	10.33%	11.76%	5.7381	4,932.9 M
KiwiSaver Aggressive Fund	3.76%	16.93%	8.02%	—	10.89%	1.5962	1,375.0 M
KiwiSaver Cash Fund	0.46%	5.62%	3.02%	—	2.39%	1.0971	121.0 M

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Milford KiwiSaver Plan is the proud winner of multiple awards:



PROVIDER OF THE YEAR
KIWISAVER 2020 - 2023



OUTSTANDING VALUE
KIWISAVER SCHEME 2020 - 2023

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)	-1.05%	-0.35%	-0.55%	5.54%	8.26%
S&P/ASX 200 Accumulation Index (AUD)	0.79%	10.64%	9.32%	8.61%	8.6%
MSCI World Index (local currency)*	4.61%	25.06%	10.29%	12.24%	10.99%
MSCI World Index (NZD)*	5.32%	27.07%	15.24%	14.18%	13.51%
S&P/NZX NZ Government Bond Index	-0.38%	3.81%	-2.57%	-0.63%	1.01%
Bloomberg Global Agg. Bond (USD-Hedged)	-0.69%	5.49%	-1.71%	0.98%	1.48%
S&P/NZX 90-Day Bank Bill Rate	0.44%	5.6%	2.95%	2.17%	2.12%

*With net dividends reinvested

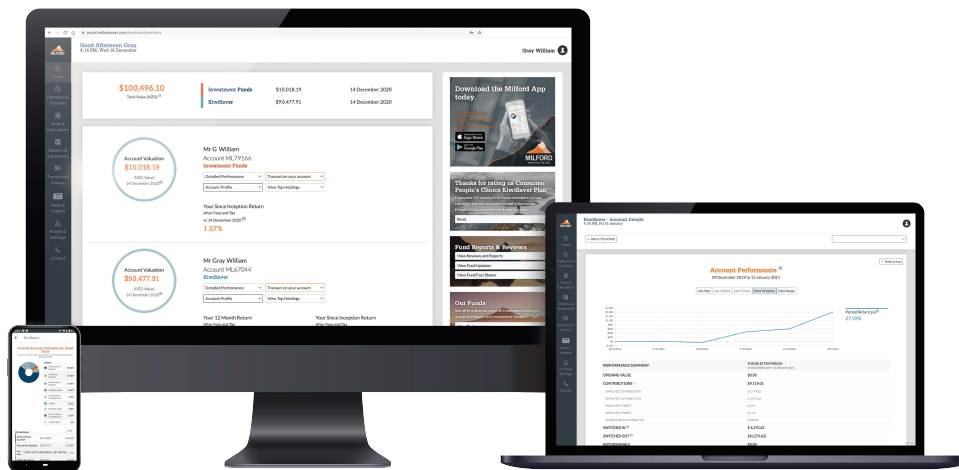
Milford staff and their families have approx. \$37.5 million invested in Milford's KiwiSaver Plan as of February 2024.

Milford Digital Tools

The Milford client portal & app

We understand that transparency is important because it's your money

Clients have access to a dedicated Milford mobile app and online portal that gives full visibility over where your money is invested and how it is performing at all times.



Need help choosing the right fund?

Access our expert digital advice to help guide you on your way

Whether you're saving for your first home, building your savings or about to retire, our digital advice can help you invest with confidence.

- ✓ Understand your risk tolerance
- ✓ Estimate your future balance
- ✓ Choose the right Milford Fund for you
- ✓ Estimate how much future income your investment could provide
- ✓ Free to use, no financial advice fee
- ✓ No obligation to invest with us.



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