

Milford

Monthly Fund Overview

January 2024

A Sizzling Summer

For the third month in a row, fund returns were positive, helped by a strong performance from our stock holdings. Global shares outperformed bonds as investors became more sanguine about the prospects of near-term economic weakness (in the US economy) being avoided. Better growth outcomes coupled with falling inflation has fueled investor optimism over the past three months.

Share markets picked up from where they ended in 2023. After an initial wobble, global shares finished the month higher, as investors continued to see reduced risks around the outlook. Inflation is easing globally, and interest rate cuts are looking likelier. Bond markets are optimistic on the timing and magnitude of these cuts. This creates two-sided risks; an inflation resurgence could see bonds sell off, whilst a slowing economy or a shock could see bonds rally further. Our corporate bond holdings have performed well, handily outperforming government bonds of similar maturities over the last few months. After this strong performance we continue to reduce our exposure, whilst retaining conviction that they remain solid investments.

January delivered outperformance for our stock picks (vs the broader market). Pleasingly, we had good wins across all regions for some of our largest holdings. Standout performer was US hospital operator HCA Healthcare, up 12.6% on the back of strong reported earnings and outlook. Other global performers were payment software company Fiserv (up 6.8%), AI beneficiary Meta (up 10.2%), and ongoing performance from ride-hailing company Uber (up 6.0%). We had good performers locally too, with Australian pharmaceutical company CSL and NZ infrastructure company Infratil both up 5.3%.

The stunning 3-month rally in shares and bonds has been a rising tide for our funds. This rally reflects reduced risks around the outlook, amid an optimism that policymakers can deliver a soft landing for the economy. Whilst the rally looks to have run a little ahead of the fundamentals, a more benign backdrop is one that is ripe for stock selection. Share market valuations are elevated, but we continue to find attractively valued investment opportunities that can boost returns going forward.

Milford Fund Performance as at 31 January 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*	0.18%	5.33%	1.37%	3.68%	4.65%	1.2056	521.1 M
Diversified Income Fund*	0.34%	3.82%	2.95%	5.03%	9.00%	1.8632	2,675.5 M
Balanced Fund	0.90%	7.10%	5.22%	7.91%	8.92%	3.1176	1,652.0 M
Active Growth Fund	1.23%	10.53%	7.75%	10.11%	11.58%	5.5395	3,123.1 M
Australian Absolute Growth Fund	-0.23%	10.89%	8.53%	10.21%	8.64%	1.6218	686.1 M
Aggressive Fund	2.62%	12.64%	—	—	3.96%	1.1026	1,504.9 M
Cash and Fixed Income Funds							
Trans-Tasman Bond Fund**	0.14%	6.18%	-0.05%	2.18%	3.83%	1.1378	1,407.0 M
Global Corporate Bond Fund**	0.59%	6.55%	-0.21%	2.36%	2.84%	1.0334	463.9 M
Cash Fund	0.51%	5.49%	2.88%	—	2.20%	1.1129	669.5 M
Equity Funds							
Global Equity Fund†	3.85%	14.35%	7.21%	11.64%	8.95%	2.4898	421.4 M
Trans-Tasman Equity Fund*	1.01%	7.20%	4.14%	10.62%	10.63%	4.0566	650.4 M
Dynamic Fund#	1.20%	12.59%	7.12%	12.71%	12.01%	3.1807	690.8 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)	15/02/2024
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. \$123.5 million invested in Milford's Investment Funds as of January 2024.

Milford Fund Performance as at 31 January 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	0.63%	5.54%	1.53%	3.76%	6.71%	2.0501	230.4 M
KiwiSaver Moderate Fund	0.94%	6.57%	3.29%	—	6.30%	1.2595	151.1 M
KiwiSaver Balanced Fund	1.03%	7.40%	5.25%	8.06%	9.12%	3.2005	1,319.5 M
KiwiSaver Active Growth Fund [^]	1.41%	10.37%	7.82%	10.22%	11.71%	5.6450	4,760.0 M
KiwiSaver Aggressive Fund	2.60%	12.47%	7.39%	—	10.19%	1.5384	1,290.2 M
KiwiSaver Cash Fund	0.51%	5.50%	2.88%	—	2.32%	1.0921	122.1 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: KiwiSaver Active Growth Fund: 1 October 2007, KiwiSaver Balanced Fund: 1 April 2010, KiwiSaver Conservative Fund: 1 October 2012, KiwiSaver Aggressive Fund: 1 August 2019, KiwiSaver Cash Fund: 27 March 2020, KiwiSaver Moderate Fund: 27 March 2020. [^]Based on the performance of the AonSaver AMT Milford Aggressive Fund until 31 March 2010 and the Milford KiwiSaver Active Growth Fund from 1 April 2010.

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)	0.87%	0.09%	-2.53%	6.56%	8.69%
S&P/ASX 200 Accumulation Index (AUD)	1.19%	7.09%	9.57%	9.71%	8.82%
S&P/ASX 200 Accumulation Index (NZD)	0.81%	5.47%	9.87%	10.17%	9.39%
MSCI World Index (local currency)*	1.79%	17.67%	9.61%	11.98%	10.77%
MSCI World Index (NZD)*	4.09%	22.83%	13.9%	14.09%	13.34%
S&P/NZX 90-Day Bank Bill Rate	0.47%	5.51%	2.81%	2.11%	2.08%
Bloomberg Global Agg. Bond (USD-Hedged)	-0.2%	4.53%	-2%	1.14%	1.71%
S&P/NZX NZ Government Bond Index	-0.94%	2.27%	-3.64%	-0.44%	1.18%

*With net dividends reinvested

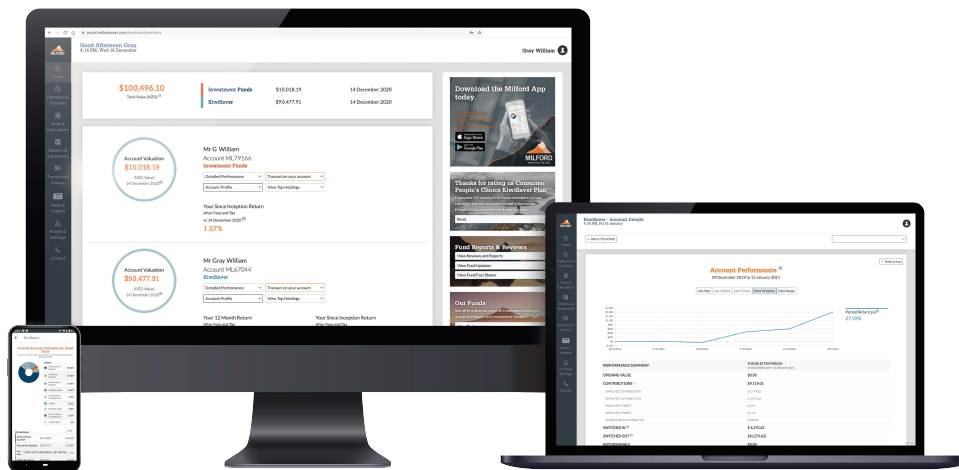
Milford staff and their families have approx. \$36.5 million invested in Milford's KiwiSaver Plan as of January 2024.

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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