

Milford Monthly Fund Overview

November 2023

Patience Rewarded

November was a very strong month for returns, with gains across low and high-risk funds. Performance was driven by large rallies in both stocks and bonds as investors embrace a soft-landing outcome for global economies.

An economic soft landing can be defined as inflation falling back to target without significant deterioration in economic growth or employment. This would allow central banks to ease interest rates lower over coming quarters. The bond market had been largely pricing “higher for longer” interest rates, but recent soft global inflation data drove a sharp bond rally this month - reflecting a greater chance of central bank rate cuts over the next 12 months. Encouragingly for our tilt to corporate bonds, the soft-landing expectation saw corporate bonds significantly outperform comparable government bonds in November.

Expectations of modest economic growth coupled with falling interest rates are a potent combination for share markets, delivering some of the strongest monthly returns since 2020. Following weak share markets in August to October, we took the opportunity to add

exposure last month across global and Australian shares. In November, the strength in shares was very broad based, with gains across a wide range of sectors and geographies. Global shares were particularly strong and whilst many stocks in our funds delivered positive performance, recent addition Uber Technologies (+30.3%) as well as longer term holding Fiserv (+14.8%) were some notable outperformers. Falling bond yields also helped boost stocks that have high sensitivity to interest rates. This was reflected in performance of property companies Goodman Group (+9.7%) and Stockland (+16.7%).

Looking ahead, we are encouraged by the trajectory of the global economy towards a soft landing, but also wary that investors appear to be betting heavily on this outcome. Given the strong performance of all assets in November, we have prudently reduced exposure to both bonds and shares. Risks remain two sided – future growth and inflation could surprise on the up or downside. The medium-term outlook continues to offer strong investment opportunities and returns that exceed cash over the long run.

Milford Asset Management

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MILFORD
INVESTED IN YOU

Milford Fund Performance as at 30 November 2023

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*	2.41%	4.56%	0.74%	3.38%	4.41%	1.1831	512.6 M
Diversified Income Fund*	2.80%	2.84%	2.46%	4.84%	8.87%	1.8072	2,586.9 M
Balanced Fund	3.35%	5.06%	4.27%	7.25%	8.71%	2.9945	1,581.6 M
Active Growth Fund	4.08%	7.34%	6.31%	9.03%	11.30%	5.2181	2,919.8 M
Australian Absolute Growth Fund	3.08%	4.41%	7.44%	8.95%	7.75%	1.5248	575.3 M
Aggressive Fund	5.86%	5.49%	—	—	1.37%	1.0301	1,355.9 M
Cash and Fixed Income Funds							
Trans-Tasman Bond Fund**	2.47%	5.57%	-0.85%	1.90%	3.64%	1.1189	1,410.3 M
Global Corporate Bond Fund**	2.76%	5.85%	-1.09%	2.09%	2.45%	1.0111	447.7 M
Cash Fund	0.46%	5.25%	2.57%	—	2.07%	1.1023	610.7 M
Equity Funds							
Global Equity Fund†	6.43%	6.83%	4.63%	9.74%	8.36%	2.3157	391.1 M
Trans-Tasman Equity Fund*	4.70%	3.27%	2.59%	9.78%	10.27%	3.7870	626.9 M
Dynamic Fund#	5.17%	7.23%	6.19%	11.06%	11.41%	2.9534	652.6 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)	18/01/2024
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)	14/12/2023
Global Corporate Bond Fund	0.85 cents (Quarterly)	14/12/2023

Milford, its staff and their families, have approx. \$116.4 million invested in Milford's Investment Funds as of November 2023.

Milford Fund Performance as at 30 November 2023

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	2.84%	4.62%	0.82%	3.45%	6.56%	1.9959	225.5 M
KiwiSaver Moderate Fund	3.15%	4.73%	2.46%	—	5.63%	1.2180	143.2 M
KiwiSaver Balanced Fund	3.28%	5.05%	4.32%	7.37%	8.92%	3.0724	1,240.8 M
KiwiSaver Active Growth Fund [^]	4.30%	7.24%	6.68%	9.20%	11.45%	5.3314	4,354.5 M
KiwiSaver Aggressive Fund	5.80%	5.50%	5.41%	—	8.90%	1.4380	1,161.6 M
KiwiSaver Cash Fund	0.46%	5.25%	2.57%	—	2.16%	1.0817	127.6 M

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Performance figures are after total Fund charges have been deducted and at 0% PIR.

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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)	5.35%	-1.04%	-3.15%	5.95%	8.31%
S&P/ASX 200 Accumulation Index (AUD)	5.03%	1.45%	7.15%	8.72%	8.1%
S&P/ASX 200 Accumulation Index (NZD)	3.62%	1.05%	8.03%	8.94%	8.56%
MSCI World Index (local currency)*	8.3%	12.2%	8.45%	10.41%	10.48%
MSCI World Index (NZD)*	3%	13.61%	11.76%	12.34%	12.54%
S&P/NZX 90-Day Bank Bill Rate	0.47%	5.26%	2.5%	2%	1.99%
Bloomberg Global Agg. Bond (USD-Hedged)	3.44%	2.6%	-3.03%	1.05%	1.26%
S&P/NZX NZ Government Bond Index	4.06%	0.24%	-4.91%	-0.62%	0.73%

*With net dividends reinvested

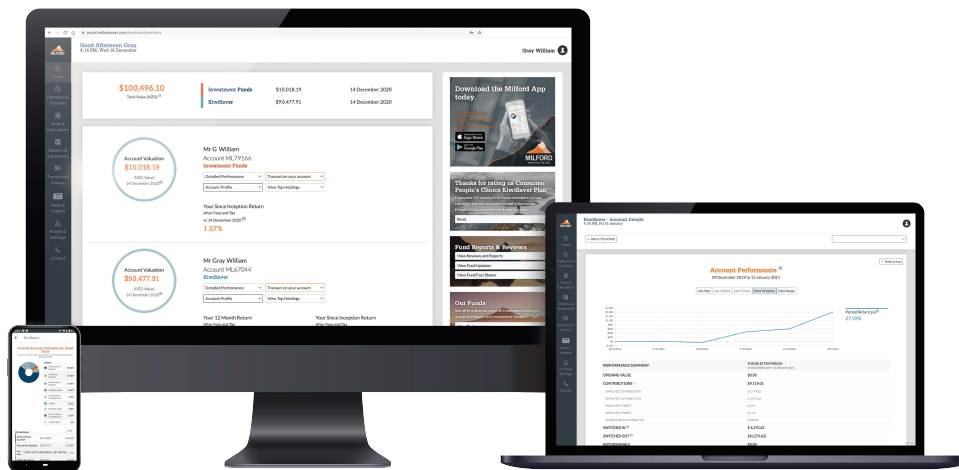
Milford staff and their families have approx. \$34.1 million invested in Milford's KiwiSaver Plan as of November 2023.

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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