

Milford Monthly Fund Overview

September 2024

Reassuringly expensive

September proved to be a solid month for returns, with broad gains across both bonds and shares. As a result, our suite of funds continued to build on their strong performance over the past year. Positive economic growth, coupled with easing monetary policy, is providing tailwinds to a market that remains expensive across both shares and bonds.

Much like consumers are adjusting to higher prices compared to a few short years ago, investors are also adjusting to valuation levels in asset prices that look elevated vs history. That's not to say everything is expensive, we continue to find reasonably valued companies to invest in.

Last month, we saw good returns from a range of our holdings, including technology picks AppLovin (+40.6%) and Salesforce (+8.4%), DIY retailer Lowe's (+9.0%) and Spanish airport operator Aena (+8.2%).

Last month saw a surge in activity in the NZ share market, with capital raises and takeover activity. Corporate issuance of shares has weighed on the NZ market (the NZX 50 ended the month marginally lower), and there might be more supply to come. But it did start to clear the decks for a clearer run ahead, especially if delivered rate cuts can start to alleviate the economic malaise.

One beneficiary of last month's corporate activity was infrastructure investment company Infratil, whose shares rallied 11.0%.

Australian shares outperformed last month, particularly materials companies, as China stimulus-measures boosted sentiment. Key pick, mining company BHP, rallied 17.3% and our Australian funds performed well, particularly the small cap-focused Dynamic Small Companies Fund (+3.5%).

With many central banks cutting interest rates, bond markets continue to deliver positive performance. However, much already appears to be in the price, and we are wary that long term bonds are vulnerable to a reversal. As a result, our holdings are concentrated in the less interest rate sensitive shorter maturities.

The investment backdrop is supportive of asset prices. But we are wary of those higher valuations and the looming risk event of the US election. The policy mix in the US could look quite different depending on the outcome. Markets are likely to remain choppy until we can get this event behind us.

Milford Fund Performance as at 30 September 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 [†]	0.95%	11.75%	3.02%	3.57%	5.08%	1.2688	579.6 M
Diversified Income Fund [†]	1.16%	13.46%	3.90%	4.49%	9.15%	1.9567	2,766.4 M
Balanced Fund	0.65%	13.47%	4.57%	6.98%	9.02%	3.3410	1,906.9 M
Active Growth Fund	0.63%	18.26%	6.13%	9.28%	11.69%	6.0489	3,923.6 M
Australian Absolute Growth Fund	1.98%	9.84%	4.88%	7.72%	8.13%	1.6600	683.9 M
Aggressive Fund	0.89%	23.43%	6.42%	—	6.71%	1.2314	2,198.2 M
Cash and Fixed Income Funds							
Trans-Tasman Bond Fund ^{††}	0.99%	10.86%	2.18%	2.12%	4.13%	1.1744	1,330.5 M
Global Corporate Bond Fund ^{††}	1.41%	12.65%	1.58%	2.33%	3.41%	1.0718	327.5 M
Cash Fund	0.46%	5.85%	4.07%	2.70%	2.62%	1.1555	742.7 M
Equity Funds							
Global Equity Fund [†]	-0.30%	23.20%	5.16%	10.54%	9.33%	2.7399	478.8 M
Trans-Tasman Equity Fund	1.96%	17.09%	3.33%	8.34%	10.74%	4.3838	743.5 M
Dynamic Fund [#]	3.52%	18.76%	4.87%	10.72%	12.21%	3.4911	766.4 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)	16/10/2024
Diversified Income Fund	1.7 cents (Quarterly)	14/11/2024
Trans-Tasman Bond Fund	0.95 cents (Quarterly)	11/12/2024
Global Corporate Bond Fund	0.85 cents (Quarterly)	11/12/2024

Milford, its staff and their families, have approx. \$123.9 million invested in Milford's Investment Funds as of September 2024.

Milford Fund Performance as at 30 September 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	0.72%	11.84%	3.08%	3.62%	6.90%	2.1853	270.9 M
KiwiSaver Moderate Fund	0.41%	12.57%	3.79%	—	6.92%	1.3451	189.4 M
KiwiSaver Balanced Fund	0.28%	13.83%	4.61%	7.11%	9.23%	3.4342	1,596.1 M
KiwiSaver Active Growth Fund [^]	0.60%	18.42%	6.24%	9.45%	11.82%	6.1637	5,918.9 M
KiwiSaver Aggressive Fund	0.87%	23.22%	6.40%	11.29%	11.17%	1.7163	1,798.0 M
KiwiSaver Cash Fund	0.46%	5.86%	4.07%	—	2.82%	1.1340	132.5 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)	0.05%	10.84%	-1.37%	3.38%	7.51%
S&P/ASX 200 Accumulation Index (AUD)	2.97%	21.77%	8.44%	8.37%	9.74%
MSCI World Index (local currency)*	1.5%	30.43%	9.89%	13.2%	11.54%
MSCI World Index (NZD)*	0.13%	25.06%	12.06%	12.71%	13.16%
S&P/NZX NZ Government Bond Index	0.39%	11.93%	-0.65%	-0.82%	1.41%
Bloomberg Global Agg. Bond (USD-Hedged)	1.16%	10.63%	-0.22%	0.57%	1.99%
S&P/NZX 90-Day Bank Bill Rate	0.46%	5.81%	4.02%	2.63%	2.43%

*With net dividends reinvested

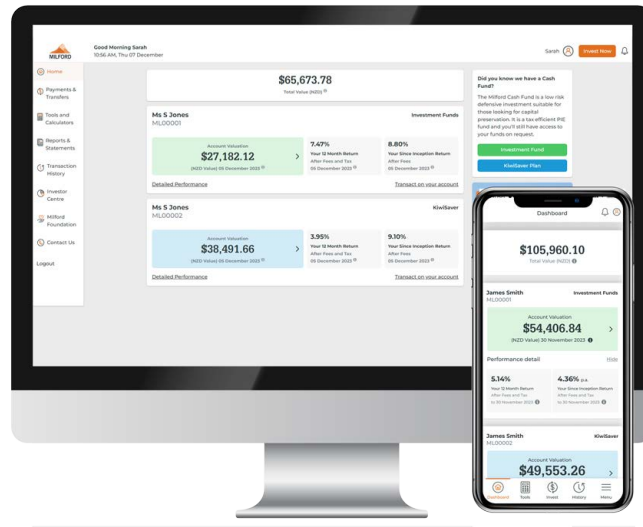
Milford staff and their families have approx. \$42.4 million invested in Milford's KiwiSaver Plan as of September 2024.

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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