

Milford Monthly Fund Overview

May 2024

An investment melting pot

Fund performance was broadly positive in May, driven by recovering global share markets and positive returns from bonds. As this economic cycle matures, investors are becoming increasingly focused on bottom-up investments and themes, rather than broad market moves. This is generating significant volatility in individual company shares, even as market indices remain stable.

Global share markets recovered much of April's losses in May, but it was a narrow performance with only a small number of companies driving headline gains. Some of our investments delivered standout monthly returns, including semiconductor company Micron Technologies (up 10.7%) as well as electronic broker Interactive Brokers (up 9.4%). In a volatile share market, we continue to value strong, steady performers that can anchor our funds via larger positions. A number of these companies' shares have accumulated significant performance of late. For example, healthcare stocks HCA Healthcare (up 9.7% in May and up 25.8% YTD) and Elevance (up 1.9% in May and up 14.6% YTD) as well as UK banks NatWest Group (up 3.8% in May and up 50.5% YTD) and Bank of Ireland (up 11.1% in May and up 35.8% YTD).

New Zealand shares continue to be an underperformer, as a weak domestic economy is further pressured by a Reserve Bank determined to keep interest rates elevated. In this context, it was pleasing to see large holding Contact Energy rally 6.3% last month on news of a significant extension to the life of the aluminium smelter at Tiwai Point.

Global bond markets also recovered in May, with the performance of our bond holdings reflecting the high yields we are earning from our positions. We continue to focus our investments in shorter-term bonds that offer higher yields and can benefit from any interest rate cuts over the coming months.

The outlook remains uncertain, whilst still offering a solid backdrop for returns. Diverging economic growth, inflation and central bank policy around the world are all creating opportunities across shares, bonds and currencies. Meanwhile, risks around policy are rising as we approach the US election in November. We continue to try and manage these risks whilst focusing on enduring bottom-up investment themes.

Milford Asset Management

Level 28, 48 Shortland Street, Auckland, 1010
Phone: 0800 662 345
Email: Info@milfordasset.com
milfordasset.com



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Milford Fund Performance as at 31 May 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 [*]	0.86%	6.75%	1.80%	3.40%	4.74%	1.2224	529.3 M
Diversified Income Fund [*]	1.21%	7.97%	3.29%	4.63%	9.02%	1.8868	2,661.6 M
Balanced Fund	0.29%	9.65%	4.64%	7.51%	8.97%	3.2280	1,708.8 M
Active Growth Fund	0.44%	14.71%	6.17%	9.78%	11.65%	5.8010	3,520.0 M
Australian Absolute Growth Fund	-0.48%	7.39%	5.25%	9.28%	8.43%	1.6457	726.8 M
Aggressive Fund	1.59%	17.69%	—	—	6.10%	1.1855	1,854.7 M
Cash and Fixed Income Funds							
Trans-Tasman Bond Fund ^{^^}	0.91%	6.13%	0.59%	1.80%	3.83%	1.1420	1,276.5 M
Global Corporate Bond Fund ^{**}	1.21%	6.66%	-0.22%	1.82%	2.75%	1.0282	323.1 M
Cash Fund	0.49%	5.81%	3.48%	2.44%	2.43%	1.1342	686.7 M
Equity Funds							
Global Equity Fund [†]	1.53%	17.78%	6.07%	11.61%	9.36%	2.6699	461.8 M
Trans-Tasman Equity Fund [†]	0.83%	8.39%	3.54%	8.76%	10.58%	4.1472	633.4 M
Dynamic Fund [#]	0.87%	17.49%	5.72%	12.16%	12.14%	3.3409	724.5 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)	18/07/2024
Diversified Income Fund	1.7 cents (Quarterly)	15/08/2024
Trans-Tasman Bond Fund	0.95 cents (Quarterly)	14/06/2024
Global Corporate Bond Fund	0.85 cents (Quarterly)	14/06/2024

Milford, its staff and their families, have approx. \$123.5 million invested in Milford's Investment Funds as of May 2024.

Milford Fund Performance as at 31 May 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	0.74%	6.95%	1.98%	3.47%	6.70%	2.0927	241.2 M
KiwiSaver Moderate Fund	0.88%	8.41%	3.28%	—	6.54%	1.2968	166.0 M
KiwiSaver Balanced Fund	0.55%	9.93%	4.75%	7.70%	9.20%	3.3237	1,433.1 M
KiwiSaver Active Growth Fund [^]	0.62%	14.40%	6.33%	9.95%	11.79%	5.9201	5,290.1 M
KiwiSaver Aggressive Fund	1.59%	17.58%	6.60%	—	11.11%	1.6532	1,538.0 M
KiwiSaver Cash Fund	0.49%	5.82%	3.48%	—	2.60%	1.1131	125.7 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)	-0.75%	1.31%	-0.44%	4.02%	7.86%
S&P/ASX 200 Accumulation Index (AUD)	0.92%	12.93%	6.8%	7.82%	8.54%
MSCI World Index (local currency)*	4.07%	25.31%	8.44%	13.28%	11.07%
MSCI World Index (NZD)*	0.61%	21.86%	12.87%	14.09%	12.93%
S&P/NZX NZ Government Bond Index	0.85%	1.88%	-2.65%	-1.05%	0.72%
Bloomberg Global Agg. Bond (USD-Hedged)	0.88%	3.24%	-1.69%	0.35%	1.33%
S&P/NZX 90-Day Bank Bill Rate	0.48%	5.8%	3.41%	2.36%	2.25%

*With net dividends reinvested

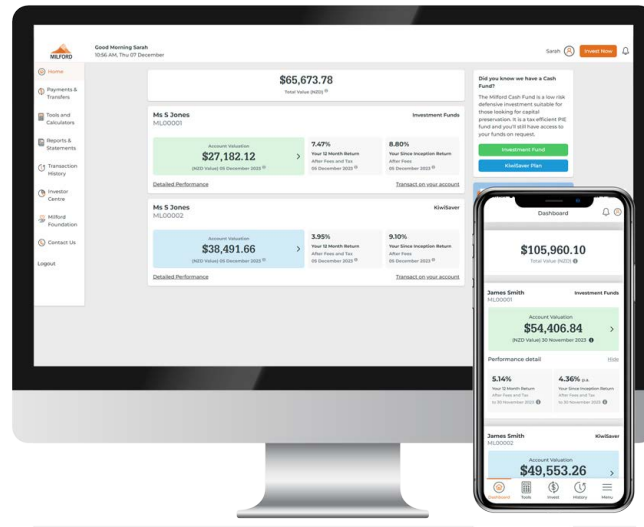
Milford staff and their families have approx. \$38.9 million invested in Milford's KiwiSaver Plan as of May 2024.

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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