

# Milford Monthly Fund Overview

April 2024

## The pause that refreshes

After a very strong six months, April saw a pullback in global shares. This was accompanied by ongoing weakness in global bond markets. Despite this headwind, Milford's Funds significantly outperformed underlying markets and only registered very modest declines.

2024 has been marked by a stickiness to inflation, with global inflation readings continuing to stubbornly exceed central bank targets. This has been gradually eroding investor hopes for interest rate cuts from central banks - a key pillar of support for the bullish outlook for equity markets. Indeed, investors now expect the US Federal Reserve to only cut rates by 0.25 percentage points this year, a marked change from the cuts of 1.5 percentage points that were expected as we entered 2024.

Shifting interest rate expectations have significant implications for asset pricing. Bond markets have fallen and share markets have begun to experience headwinds from these higher bond yields. In addition, performance of shares has rotated more towards companies that are beneficiaries of higher inflation - most notably value and commodity stocks.

At Milford, we had been anticipating this inflation dynamic and our Fund positioning reflected this

view. We have held fewer shares, moderated our exposure to interest rates and rotated our share holdings. In a month of falling shares, it was pleasing to note a number of our key holdings were strong positive performers. These include Shell (up 9.1%) and European banks such as Bank of Ireland (up 6.3%) and NatWest Group (up 14.3%), as well as Australian resource companies Newmont (up 18.6%) and South32 (up 19.7%).

Looking forward, we continue to be excited about investment opportunities. Higher yields on bonds mean we can start to contemplate adding back some exposure to selected bond investments. Similarly, some shares such as income stocks are becoming more attractive as we move closer to a peak in bond yields. We also continue to find many investment themes that are less sensitive to the short-term economic cycle, such as artificial intelligence, sustainable energy transition and innovations in healthcare.

Finally, the coming year will likely see further divergence in the global economy as countries' varying sensitivity to interest rates will require different responses from individual central banks. A decoupling global economy will present further investment opportunities across currencies, interest rates and shares.

# Milford Fund Performance as at 30 April 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 \$
<b>Multi-Asset Funds</b>							
Conservative Fund <sup>*</sup>	-0.68%	5.85%	1.53%	3.34%	4.68%	1.2121	524.3 M
Diversified Income Fund <sup>*</sup>	-0.34%	5.92%	3.11%	4.57%	8.98%	1.8814	2,682.2 M
Balanced Fund	-0.30%	9.13%	4.61%	7.42%	9.01%	3.2193	1,700.9 M
Active Growth Fund	-1.07%	14.02%	6.19%	9.71%	11.69%	5.7772	3,412.0 M
Australian Absolute Growth Fund	0.94%	7.52%	6.21%	10.07%	8.63%	1.6536	715.1 M
Aggressive Fund	-2.40%	15.81%	—	—	5.70%	1.1671	1,763.8 M
<b>Cash and Fixed Income Funds</b>							
Trans-Tasman Bond Fund <sup>^^</sup>	-0.80%	4.79%	0.20%	1.83%	3.77%	1.1317	1,266.3 M
Global Corporate Bond Fund <sup>**</sup>	-0.98%	5.11%	-0.57%	1.70%	2.62%	1.0160	359.2 M
Cash Fund	0.46%	5.78%	3.32%	2.38%	2.37%	1.1287	706.0 M
<b>Equity Funds</b>							
Global Equity Fund <sup>†</sup>	-3.54%	16.52%	5.52%	10.52%	9.29%	2.6302	454.4 M
Trans-Tasman Equity Fund <sup>†</sup>	-1.63%	7.36%	3.19%	8.92%	10.58%	4.1132	644.6 M
Dynamic Fund <sup>#</sup>	-2.05%	13.99%	5.32%	12.58%	12.15%	3.3122	718.8 M

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

<sup>^</sup> 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.

<sup>†</sup> Returns prior to 1 October 2018 are from when the Fund was structured to achieve an absolute return.

<sup>#</sup> 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)	16/05/2024
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. \$123.9 million invested in Milford's Investment Funds as of April 2024.**

# Milford Fund Performance as at 30 April 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	-0.45%	6.06%	1.72%	3.43%	6.69%	2.0775	238.0 M
KiwiSaver Moderate Fund	-0.68%	7.28%	3.03%	—	6.45%	1.2857	163.4 M
KiwiSaver Balanced Fund	-0.52%	9.15%	4.63%	7.56%	9.21%	3.3062	1,406.6 M
KiwiSaver Active Growth Fund <sup>†</sup>	-1.32%	13.75%	6.29%	9.86%	11.81%	5.8851	5,164.2 M
KiwiSaver Aggressive Fund	-2.37%	15.60%	6.13%	—	10.95%	1.6276	1,475.9 M
KiwiSaver Cash Fund	0.47%	5.80%	3.32%	—	2.53%	1.1076	123.9 M

For details of how investment performance is calculated, and returns at each PIR please see [www.milfordasset.com/funds-performance/view-performance#tabperformance](http://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. <sup>†</sup>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)	-1.22%	0.36%	-1.27%	4.41%	8.06%
S&P/ASX 200 Accumulation Index (AUD)	-2.94%	9.07%	7.3%	7.99%	7.97%
MSCI World Index (local currency)*	-3.24%	20.15%	7.38%	11.07%	10.67%
MSCI World Index (NZD)*	-2.67%	23.57%	12.63%	13.12%	12.63%
S&P/NZX NZ Government Bond Index	-1.41%	0.12%	-3.13%	-0.98%	0.79%
Bloomberg Global Agg. Bond (USD-Hedged)	-1.61%	1.94%	-1.9%	0.46%	1.29%
S&P/NZX 90-Day Bank Bill Rate	0.46%	5.77%	3.26%	2.3%	2.21%

\*With net dividends reinvested

Milford staff and their families have approx. \$38.3 million invested in Milford's KiwiSaver Plan as of April 2024.