

Milford Monthly Fund Overview

December 2024

Santa takes a breath

December saw a pullback in global share and bond markets with Milford's funds also modestly lower. After such a stunning rally in shares over the past couple of years it is perhaps unsurprising that markets paused for breath.

The global economic outlook continues to look rosy with a strong US economy and resilience elsewhere, bolstered by an interest rate cutting cycle. But inflation is not dead, and the last couple of months have seen a sharp recalibration of market interest rate expectations. Investors are now expecting interest rates in the US to be higher over coming years. This recalibration is reflected in the bond market with long-term bond prices moving sharply lower in recent months. Milford's bond investments are shorter term in nature, and typically in corporate bonds that offer higher yields. This has allowed us to avoid much of the losses in the bond markets for our lower risk funds.

Share investors don't tend to like higher interest rates, and perhaps this was the proximate cause of the weakness last month. In fact, weakness in global share markets would have been much more pronounced were it not for strength in the large technology companies. Our holdings in Amazon

(+5.5%) helped cushion some of this global weakness last month but otherwise the losses in shares were broad based across sectors and geographies. Australian shares fell 3.2%, dragged down by the heavyweight banks. Our largest Australian holding Telstra outperformed, rallying 1.8% last month.

New Zealand shares bucked the global trend last month, closing the month up 0.4%. Encouragingly, it was our core NZ holdings that led the charge with Contact Energy up 5.6%, recent add Spark up 0.7% and Auckland Airport up 12.1%. These companies are benefiting from lower domestic interest rates, making their dividend yields increasingly attractive.

The turn of the year heralds an optimistic outlook for the global economy and company profits. The risks lie in the current valuations of shares, with US shares looking particularly pricey. We are managing this by looking for cheaper global alternatives, whilst continuing to pursue our nimble, active approach to investing.

Milford Fund Performance as at 31 December 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 [†]	0.04%	8.33%	3.48%	3.64%	5.06%	1.2729	600.2 M
Diversified Income Fund [†]	-0.14%	9.36%	3.89%	4.47%	9.05%	1.9556	2,843.4 M
Balanced Fund	-0.62%	10.78%	4.32%	6.93%	9.03%	3.4165	2,009.8 M
Active Growth Fund	-1.49%	13.49%	5.88%	9.15%	11.67%	6.1969	4,220.0 M
Australian Absolute Growth Fund	-3.10%	-1.33%	2.71%	6.95%	7.27%	1.6021	554.9 M
Aggressive Fund	-1.62%	18.00%	5.36%	—	7.07%	1.2660	2,529.8 M
Cash and Fixed Income Funds							
Trans-Tasman Bond Fund ^{††}	0.62%	6.67%	2.94%	2.40%	4.10%	1.1726	1,417.0 M
Global Corporate Bond Fund ^{††}	-1.44%	4.83%	1.22%	1.78%	3.04%	1.0423	369.2 M
Cash Fund	0.40%	5.64%	4.43%	2.87%	2.72%	1.1698	692.7 M
Equity Funds							
Global Equity Fund [†]	-0.97%	19.52%	3.62%	10.73%	9.53%	2.8619	1,196.1 M
Trans-Tasman Equity Fund [†]	-1.66%	12.35%	4.02%	7.98%	10.71%	4.4803	775.9 M
Dynamic Fund [#]	-3.57%	11.68%	4.08%	10.29%	11.96%	3.5049	764.9 M

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

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)	15/01/2025
Diversified Income Fund	1.55 cents* (Quarterly)	12/02/2025
Trans-Tasman Bond Fund	0.85 cents* (Quarterly)	12/03/2025
Global Corporate Bond Fund	0.85 cents (Quarterly)	12/03/2025

*Please note distribution rates are being updated from February, the new rate for the Diversified Income Fund and the Trans-Tasman Bond Fund is shown in the table.

Milford, its staff and their families, have approx. \$122.9 million invested in Milford's Investment Funds as of December 2024.

Milford Fund Performance as at 31 December 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	0.05%	8.53%	3.61%	3.70%	6.85%	2.2090	278.5 M
KiwiSaver Moderate Fund	-0.37%	9.89%	3.94%	—	6.94%	1.3693	202.1 M
KiwiSaver Balanced Fund	-0.79%	11.13%	4.41%	7.07%	9.24%	3.5141	1,692.5 M
KiwiSaver Active Growth Fund [†]	-1.46%	13.84%	6.03%	9.34%	11.80%	6.3229	6,336.5 M
KiwiSaver Aggressive Fund	-1.59%	17.85%	5.37%	11.14%	11.20%	1.7645	2,016.9 M
KiwiSaver Cash Fund	0.40%	5.65%	4.44%	—	2.94%	1.1480	123.1 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 - 2024



OUTSTANDING VALUE
KIWISAVER SCHEME 2020 - 2024

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)	0.4%	12.24%	1.03%	3.44%	7.44%
S&P/ASX 200 Accumulation Index (AUD)	-3.15%	11.44%	7.41%	8.05%	8.46%
MSCI World Index (local currency)*	-1.92%	21.03%	7.75%	12%	11.02%
MSCI World Index (NZD)*	2.84%	34.11%	13.69%	15.37%	14.06%
S&P/NZX NZ Government Bond Index	0.38%	4.66%	0.08%	-0.17%	1.22%
Bloomberg Global Agg. Bond (USD-Hedged)	-0.77%	3.4%	-0.55%	0.48%	1.73%
S&P/NZX 90-Day Bank Bill Rate	0.38%	5.58%	4.39%	2.83%	2.54%

*With net dividends reinvested

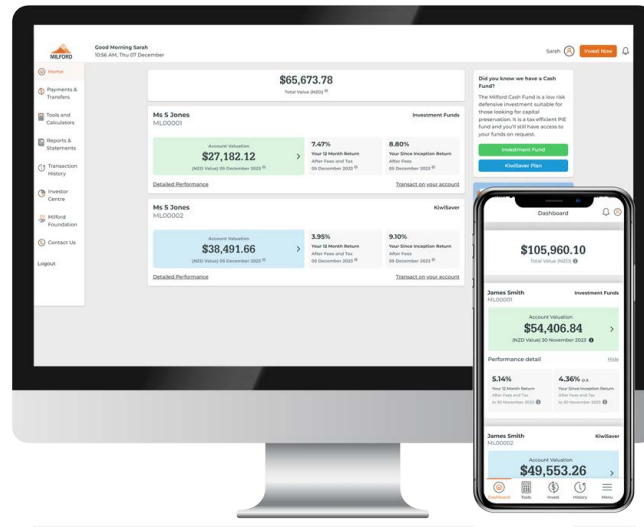
Milford staff and their families have approx. \$44 million invested in Milford's KiwiSaver Plan as of December 2024.

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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