

Milford Market & Economic Review

April 2023

The return of returns

After the turbulence of March, April saw gains for our Funds with positive performance from both bonds and shares. Despite our more cautious approach, our Funds have delivered strong returns over the past six months.

The global economy has proven much more resilient than expected this year. Some of this is related to better weather in Europe, or China reopening its economy. But in the US, the consumer has continued to spend, with first quarter consumption growth surging by 3.7%. This better economic growth has been somewhat ignored by markets; bonds are pricing sharp interest rate cuts later this year whilst the rally in global share markets has been flattered by performance of a smaller number of large companies.

Our stock selection helped deliver strong performance in April. Large cap technology stocks Meta (+13.4%) and Microsoft (+6.6%) delivered better-than-expected profits with both stocks building on their strong performance over the past six months. Elsewhere, better results also boosted shares in Channel Tunnel operator Getlink (+11.7%) and bottling company Coca-Cola Europacific Partners (+8.9%). In Australia, evidence of a bottoming housing market saw property

developer shares rally, with Mirvac and Stockland both posting double digit gains.

Our bond holdings also saw strong performance last month. Some of this was a recovery in bank bonds from the March weakness, but we also saw strong broad-based returns across our bond positions as they continue to earn a reasonable yield.

The outlook remains highly uncertain. Inflation is falling slowly, whilst growth is also slowing. Central banks appear close to ending their hiking cycle, but they will be keen to ensure that inflation is truly contained. The risks lie in inflation not falling fast enough (something we will only know over an extended period of time) or that growth falls faster than expected. There are also looming risks in the form of the upcoming US debt ceiling negotiations. This will very likely be resolved, but not without some drama along the way.

We continue to hold a bit more cash, delivering returns, security and the ability to quickly invest as opportunities arise. Meanwhile, the bulk of our Funds remain in corporate assets where we are working hard to position in the winners.

Milford Fund Performance as at 30 April 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*	1.02%	2.65%	2.49%	3.36%	4.53%	1.1782	576.2 M
Diversified Income Fund*	1.45%	0.63%	5.29%	5.16%	9.22%	1.8395	2,787.7 M
Balanced Fund	1.65%	2.49%	8.41%	7.01%	9.00%	2.9551	1,604.5 M
Active Growth Fund	2.19%	3.20%	11.16%	8.51%	11.54%	5.0786	2,819.6 M
Australian Absolute Growth Fund	1.68%	1.16%	12.12%	9.15%	8.85%	1.5396	597.9 M
Aggressive Fund	2.67%	3.91%	—	—	0.64%	1.0091	1,091.9 M
Cash and Fixed Income Funds							
Trans-Tasman Bond Fund**	0.86%	3.63%	-0.12%	1.95%	3.66%	1.1146	1,332.4 M
Global Corporate Bond Fund**	1.08%	0.15%	0.01%	1.51%	2.22%	.9970	430.8 M
Cash Fund	0.38%	3.53%	1.53%	—	1.57%	1.0669	488.4 M
Equity Funds							
Global Equity Fund†	2.12%	4.84%	10.30%	8.80%	8.60%	2.2597	384.9 M
Trans-Tasman Equity Fund*	1.44%	2.43%	10.72%	10.04%	10.80%	3.8756	670.9 M
Dynamic Fund#	3.62%	2.04%	15.68%	10.72%	11.96%	2.9102	665.2 M

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

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	0.7 cents (Quarterly)	20/07/2023
Diversified Income Fund	1.45 cents (Quarterly)	18/05/2023
Trans-Tasman Bond Fund	0.8 cents (Quarterly)	15/06/2023
Global Corporate Bond Fund	0.7 cents (Quarterly)	15/06/2023
Trans-Tasman Equity Fund	1.5 cents (Biannually)	14/09/2023

Milford, its staff and their families, have approx. \$116.2 million invested in Milford's Investment Funds as of April 2023.

Milford Fund Performance as at 30 April 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	1.13%	2.80%	2.56%	3.39%	6.75%	1.9604	211.3 M
KiwiSaver Moderate Fund	1.35%	2.51%	5.08%	—	6.19%	1.1999	123.2 M
KiwiSaver Balanced Fund	1.70%	2.38%	8.59%	7.18%	9.22%	3.0341	1,077.3 M
KiwiSaver Active Growth Fund [^]	2.28%	3.21%	11.48%	8.76%	11.69%	5.1854	3,692.4 M
KiwiSaver Aggressive Fund	2.54%	4.12%	12.10%	—	9.75%	1.4098	945.6 M
KiwiSaver Cash Fund	0.38%	3.53%	1.52%	—	1.49%	1.0469	118.9 M

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

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.

[^]This is 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 - 2022



OUTSTANDING VALUE
KIWISAVER SCHEME 2020 - 2022

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)	1.14%	2.01%	5.25%	8.18%	9.43%
S&P/ASX 200 Accumulation Index (AUD)	1.85%	2.83%	14%	8.26%	9.16%
S&P/ASX 200 Accumulation Index (NZD)	1.79%	0.44%	14.3%	8.23%	8.85%
MSCI World Index (local currency)*	1.6%	3.16%	13.52%	8.85%	10.33%
MSCI World Index (NZD)*	3.07%	8.42%	13.07%	11.03%	11.73%
S&P/NZX 90-Day Bank Bill Rate	0.39%	3.48%	1.44%	1.56%	1.72%
Bloomberg Global Agg. Bond (USD-Hedged)	0.51%	-0.7%	-2.48%	1.13%	1.24%
S&P/NZX NZ Government Bond Index	1.1%	0.84%	-4.31%	0.39%	0.97%

*With net dividends reinvested

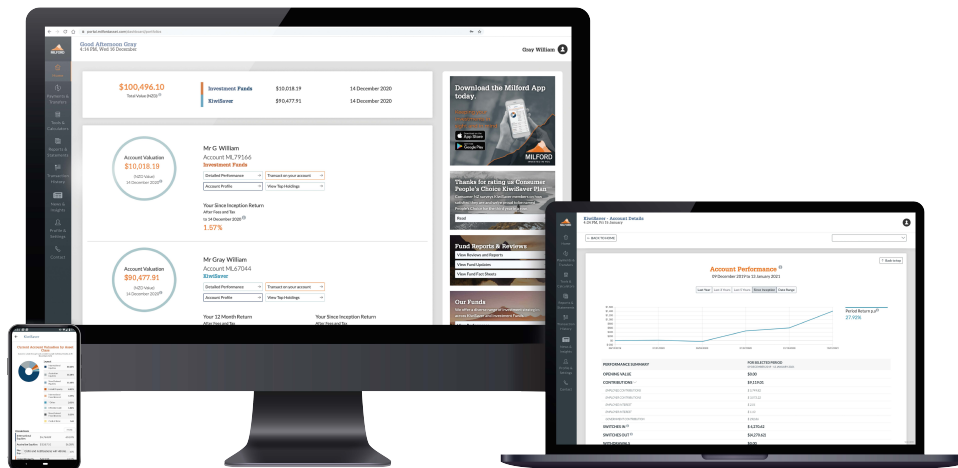
Milford staff and their families have approx. \$30.1 million invested in Milford's KiwiSaver Plan as of April 2023.

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
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