

# KiwiSaver Active Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 October 2020



## Portfolio Managers



**Jonathan Windust**  
Portfolio Manager



**William Curtaigne**  
Co-Portfolio Manager

The Fund rose 0.5% in October with strong performance of New Zealand (+2.9%) and Australian (+2.0%) share markets and good company selection offsetting weak performance in global share market indices (-3.1%). Global markets came under pressure due to rising COVID-19 cases and uncertainty around the outcome for the US election.

Key positive company investments during the month were Kiwi Income Property (+16.0%), Summerset (+15.7%), Virgin Money (+26.6%) and Alphabet (+10.3%). Kiwi Income benefitted from increased confidence in the New Zealand economy and Summerset from the strong housing market. Virgin Money is a UK bank and benefitted from strong results from its peers that showed improving credit conditions and margins. We believe Virgin, despite facing short-term challenges, is very attractively valued. The Fund also holds investments in the company's subordinated fixed income which offer attractive yields for the risk. Given rising uncertainty and good gains, the Fund reduced investments in global shares and increased investment in New Zealand shares. In particular the Fund added to our holdings in Fisher & Paykel Healthcare. Fisher & Paykel has become the clinical standard for treating COVID-19 in hospitals and should benefit from sharply rising case numbers globally.

The short-term outlook for shares remains uncertain with rising virus cases, potentially reduced government support, elections, BREXIT and high valuations. The main positives remain very strong stimulus measures and very low interest rates which attract investors to shares to generate a return. A vaccine would be a positive for economies although some companies that have benefitted from the virus and 'working from home' may see headwinds. On balance we expect shares to outperform over the medium-term but remain volatile given the high level of uncertainty. The strategy of the Fund is to remain active and invest in a combination of reasonably priced growth companies and companies which offer value and attractive yields.

To view Milford's November 2020 Market and Economic Review please see [milfordasset.com/fact-sheet](http://milfordasset.com/fact-sheet).

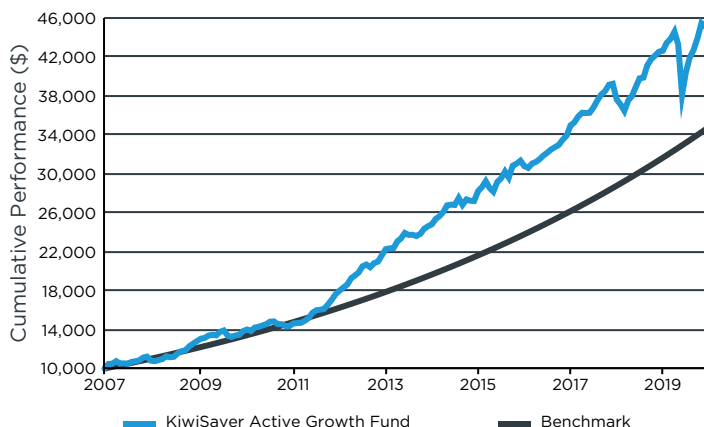
## External Ratings



Milford KiwiSaver Active Growth Fund received a Morningstar Analyst Rating™ of 'Silver' on 29-05-2018

## Cumulative Fund Performance

(after fees and before tax)



Assumes the growth of \$10,000 invested at the Fund's inception date.

## Key Fund Facts

**Objective<sup>1</sup>** Annual returns of 10% over a minimum of five years

**Description** Diversified fund that primarily invests in equities, with a moderate allocation to fixed interest securities

**Target Allocation** 22% Income Assets / 78% Growth Assets

**Neutral FX Exposure** 15.0%

**Net Asset Value (NAV)** \$1,783.0 M

**Buy-sell Spread** None - swing pricing applies (see PDS for details)

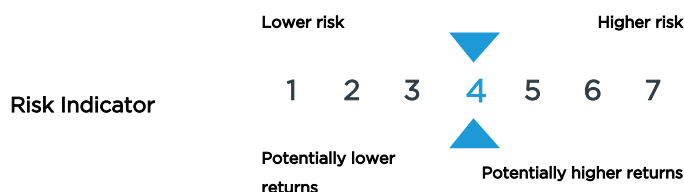
**Inception Date** 1 October 2007

**Benchmark** 10% p.a.

**Base Fund Fee<sup>2</sup>** 1.05%

**Performance Fee** 15% of the Fund's returns above the Benchmark<sup>1</sup>, subject to the high watermark.

**Total Fund Fees<sup>3</sup>** 1.20% (includes an est. performance fee)



# KiwiSaver Active Growth Fund as at 31 October 2020

## Investment Performance after fees as at 31 October 2020<sup>4</sup>

Unit Price: \$4.2261

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford KiwiSaver Active Growth Fund (Gross Of Tax)	0.52%	3.26%	6.40%	9.06%	9.96%	12.25%
After Tax 10.50%	0.46%	3.14%	6.23%	8.76%	9.67%	11.72%
After Tax 17.50%	0.42%	3.06%	6.11%	8.55%	9.48%	11.52%
After Tax 28.00%	0.36%	2.95%	5.94%	8.25%	9.19%	11.10%
Benchmark	0.81%	2.43%	10.00%	10.00%	10.00%	10.00%

## Top Equity Holdings

Holdings	% of Fund's NAV
Fisher & Paykel Healthcare	5.27%
Spark New Zealand	4.02%
Summerset Group Holdings	2.90%
a2 Milk Company	2.09%
Dr Horton	1.94%
Contact Energy	1.84%
EBOS Group	1.83%
Thermo Fisher Scientific	1.69%
Charter Hall Retail	1.62%
Kiwi Property Group	1.52%

## Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	8.63%	6.00%
New Zealand Fixed Interest	1.01%	2.00%
International Fixed Interest	13.13%	14.00%
New Zealand Equities	26.55%	22.00%
Australian Equities	17.99%	18.00%
International Equities	32.44%	38.00%
Other	0.25%	0%

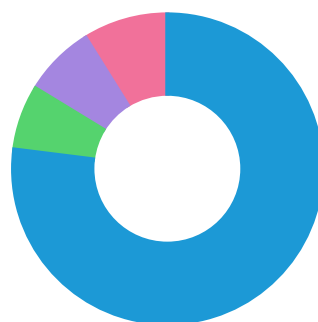
# The actual cash held by the Fund is 3.28%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

## Top Fixed Interest Holdings

Holdings	% of Fund's NAV
Scentre Group 5.125% 2080	1.65%
CYBG 8% 2049	1.15%
Natwest 6% Perpetual	0.72%
Lloyds Bank 5.125% Perpetual	0.60%
Crown Resorts 5.795% 2075	0.59%
Vodafone Group 6.25% 2078	0.56%
CYBG 7.875% 2028	0.54%
Credit Suisse 7.5% 2023	0.50%
Barclays 5.875% 2024	0.47%
QBE 6.75% 2044	0.44%

Note: Fixed interest securities are reported in the following format: Issuer name, interest (coupon rate), maturity year.

## Fund Portfolio Mix



■ Shares 76.98%
 ■ Investment Grade Bonds 6.73%
 ■ High Yield & Unrated Bonds 7.41%
 ■ Cash and Other 8.88%



1. After the base fund fee but before tax and before the performance fee. 2. Where applicable, the Base Fund Fee includes an estimate of non-related underlying fund charges. 3. The Total Fund Fees comprise the Base Fund Fee and any estimated Performance Fee. Please refer to the Product Disclosure Statement for more information as to how these are calculated. 4. 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. Please note past performance is not a guarantee of future returns. Please refer to the 'Glossary for the Monthly Fact Sheet' at [milfordasset.com/fact-sheet-ks](http://milfordasset.com/fact-sheet-ks) for more information about the data published within this document.

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