

# Milford KiwiSaver Active Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 January 2022



## Portfolio Managers



**Jonathan Windust**  
Portfolio Manager



**William Curtaigne**  
Co-Portfolio Manager

The Fund fell by 3.0% in January reversing most of December's gains. The Fund was negatively impacted by share markets, with the New Zealand (-8.8%), Australian (-6.4%) and global (-4.9%) share market indices all falling. Share markets fell due to concerns over the prospect of more rapid increases in interest rates as central banks look to control inflation. Higher interest rates act to slow growth and can reduce company valuations. Shares in higher valuation growth companies were particularly hard hit. The Fund outperformed market returns due to strong company selection, more defensive positioning and strategies to cushion interest rate rises.

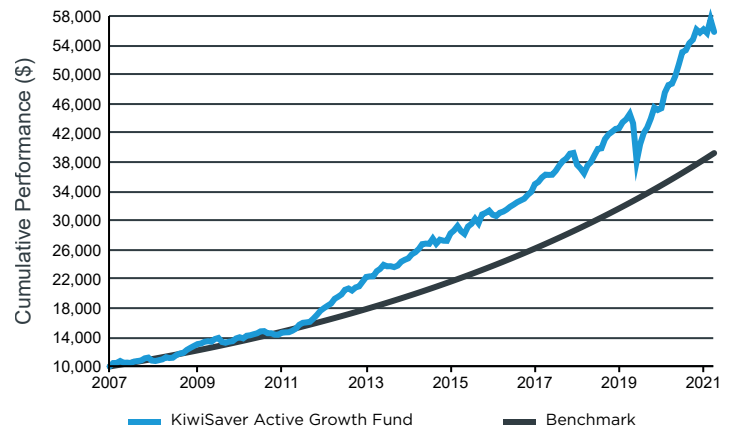
Key company positives during the month included UK Banks, Virgin Money (+8.2%), Natwest Group (+7.4%) and Barclays (+5.5%). Banks are a beneficiary of rising interest rates as they increase lending rates faster than deposit rates. Oil and Gas companies Santos (+13.2%) and EOG Resources (+26.4%) performed well due to rising oil prices. The Fund reduced holdings in shares towards the start of the month following strong gains and increased talk from central bank officials about the need to control inflation. As markets fell we gradually increased holdings in those shares we believe had been oversold.

The outlook for shares remains supported by the prospect of good economic growth, strong company earnings, low short-term interest rates and high levels of liquidity. The key headwinds for markets are relatively high valuations, generally optimistic investor sentiment and the prospect of rising inflation and interest rates. Whilst parts of the market have relatively full valuations, we continue to find companies which we believe are attractively valued. The strategy of the Fund is to remain active and construct a portfolio of investments which provide an attractive medium-term risk adjusted return.

To view Milford's February 2022 Market and Economic Review please see [milfordasset.com/fact-sheet](http://milfordasset.com/fact-sheet).

## Cumulative Fund Performance

(after fees and before tax)



## Key Fund Facts

<b>Objective<sup>1</sup></b>	To provide annual returns of 10% over the minimum recommended investment timeframe
<b>Description</b>	Diversified fund that primarily invests in equities, with a moderate allocation to fixed interest securities

<b>Minimum recommended investment timeframe</b>	7 years +
<b>Target Allocation</b>	22% Income Assets / 78% Growth Assets
<b>Neutral FX Exposure</b>	16.0%
<b>Net Asset Value (NAV)</b>	\$2,958.4 M
<b>Buy-sell Spread</b>	None - swing pricing applies (See PDS for details)
<b>Inception Date</b>	1 October 2007
<b>Benchmark</b>	10% p.a.
<b>Base Fund Fee<sup>2</sup></b>	1.05%
<b>Performance Fee</b>	15% of the Fund's returns above the Benchmark <sup>1</sup> , subject to the high watermark.
<b>Total Fund Fees<sup>3</sup></b>	1.15% (includes an est. performance fee)

	Lower risk						Higher risk
<b>Risk Indicator</b>	1	2	3	4	5	6	7
	Potentially lower returns				Potentially higher returns		

## External Ratings



Milford KiwiSaver Active Growth Fund received a Morningstar Analyst Rating™ of 'Silver' on 07-07-2020

# KiwiSaver Active Growth Fund as at 31 January 2022

## Investment Performance after fees as at 31 January 2022<sup>4</sup>

Unit Price: \$5.1864

	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)	-2.96%	-0.62%	14.54%	14.13%	12.32%	12.74%
After Tax 10.50%	-3.02%	-0.70%	14.36%	13.84%	12.01%	12.23%
After Tax 17.50%	-3.06%	-0.76%	14.24%	13.65%	11.79%	12.02%
After Tax 28.00%	-3.12%	-0.85%	14.05%	13.35%	11.47%	11.60%
Benchmark	0.81%	2.43%	9.99%	10.0%	10.0%	10.0%

## Top Equity Holdings

Holdings	% of Fund
Contact Energy	3.59%
Virgin Money	3.04%
Alphabet	2.75%
Santos	2.58%
CRH	1.99%
Dr Horton	1.97%
Microsoft	1.94%
HCA Holdings	1.90%
Fisher & Paykel	1.74%
EBOS Group	1.72%

## Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	10.63%	6.0%
New Zealand Fixed Interest	0.89%	2.0%
International Fixed Interest	12.40%	14.0%
New Zealand Equities	17.74%	20.0%
Australian Equities	22.22%	18.0%
International Equities	36.12%	40.0%
Other	0.00%	0.0%

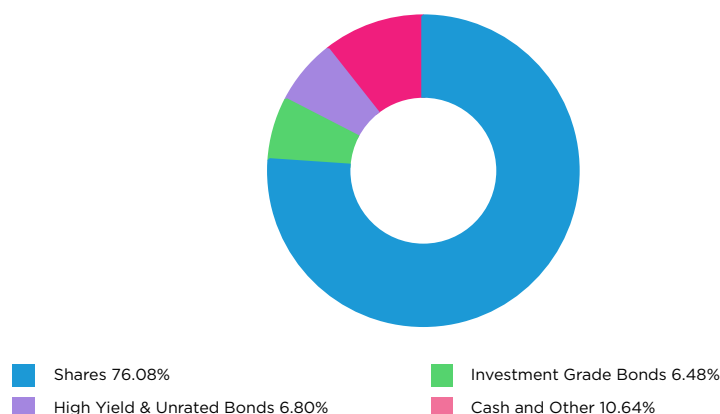
# The actual cash held by the Fund is 6.77%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

## Top Fixed Interest Holdings

Holdings	% of Fund
ING Groep 4.25% Perpetual	1.48%
JPMorgan 5% 2024	1.37%
Westpac 5% 2027	1.35%
Barclays 4.375% Perpetual	1.09%
NatWest 5.125% Perpetual	0.88%
Scentre Group 5.125% 2080	0.81%
Barclays 5.875% 2024	0.53%
Bank of America 4.375% Perpetual	0.51%
Bank of Queensland Float 2032	0.48%
NatWest 6% Perpetual	0.42%

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

## Fund Portfolio Mix



**PROVIDER OF THE YEAR**  
KIWISAVER 2020 - 2021



**OUTSTANDING VALUE**  
KIWISAVER SCHEME 2020 - 2021

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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