

# Milford KiwiSaver Plan

## KiwiSaver Active Growth Fund

### Monthly Fact Sheet as at 31 July 2022



## Portfolio Managers



**Jonathan Windust**  
Portfolio Manager



**William Curstayne**  
Co-Portfolio Manager

The Fund rose 5.2% in July as share and bond markets rose sharply and reversed most of June's market falls. The major New Zealand, Australian and global share market indices rising 5.8%, 5.7% and 8.0% respectively. Share markets rose as long-term interest rates fell and investors became less pessimistic. Long-term interest rates fell, despite further aggressive rate rises from central banks, as investors forecast that action from central banks would be successful in bringing down inflation allowing them to ease policy in 2023. The fall in long-term rates and increased investment optimism was positive for company bonds which performed strongly. Strong bond performance allowed the Fund to keep up with markets despite lower weighting in shares.

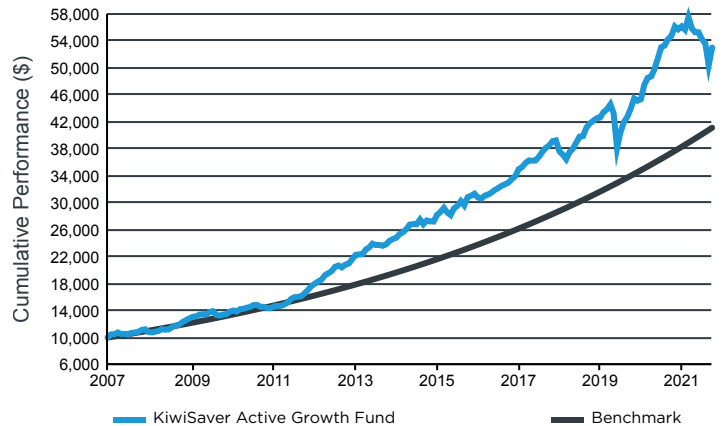
Key company performances in the month included Amazon (+27.1%), US hospital company HCA Healthcare (+26.4%), small business software provider Intuit (+18.5%) and US homebuilder DR Horton (+17.9%). Amazon rebounded as it delivered a better-than-expected result which showed continued strong growth in cloud computing and a recovery in retail performance. HCA rose following better-than-expected results and in particular signs that it was better able to manage wage price inflation which hurt its previous result. DR Horton rose following a very strong result which showed a 53% rise in profits versus the previous year. DR Horton is the United States largest home builder and has benefitted from the strong housing market in the United States. Looking forward rising mortgage rates in the US are creating a headwind for housing markets however we believe this is more than factored into DR Horton's valuation, which remains attractive.

The short-term outlook for shares remains uncertain with headwinds of higher inflation and higher interest rates which are likely to slow medium-term company growth prospects. Following the rise in share markets, last month's valuations in aggregate are around long-run averages but vary significantly by style with growth company valuations above average as investors remain optimistic about this sector. This variation in valuations provides the opportunity for active management gains over time. Given the uncertain environment the Fund remains more defensively positioned than typical with a lower weight towards shares. The Fund has increased its holdings in company bonds (fixed income) which we believe reflect the high levels of market uncertainty. The Fund remains active to isolate those companies which we believe have strong risk-adjusted return prospects.

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

## Cumulative Fund Performance

(after fees and before tax)



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

## 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>	\$3,134.1 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>	1.20% (includes an est. performance fee)
<b>Risk Indicator</b>	<div style="display: flex; justify-content: space-between; align-items: center;"> <span>Lower risk</span> <span>Higher risk</span> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> <span>1</span> <span>2</span> <span>3</span> <span style="border: 2px solid blue; border-radius: 50%; padding: 2px 5px;">4</span> <span>5</span> <span>6</span> <span>7</span> </div> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 5px;"> <span>Potentially lower returns</span> <span>Potentially higher returns</span> </div>

## 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 July 2022

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

Unit Price: \$4.9194

	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)	5.21%	-2.29%	-3.17%	8.27%	9.97%	11.90%
After Tax 10.50%	5.14%	-2.31%	-3.36%	8.01%	9.69%	11.41%
After Tax 17.50%	5.10%	-2.33%	-3.48%	7.84%	9.50%	11.21%
After Tax 28.00%	5.03%	-2.36%	-3.66%	7.59%	9.22%	10.80%
Benchmark	0.81%	2.43%	10.0%	10.0%	10.0%	10.0%

## Top Equity Holdings

Holdings	% of Fund
Contact Energy	3.81%
Shell	2.44%
JPMorgan	2.41%
CRH	2.21%
Virgin Money	2.11%
HCA Holdings	1.90%
Microsoft	1.86%
Natwest	1.82%
Boston Scientific	1.65%
Charter Hall Retail	1.57%

## Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	17.72%	6.0%
New Zealand Fixed Interest	3.05%	2.0%
International Fixed Interest	22.23%	14.0%
New Zealand Equities	12.46%	16.0%
Australian Equities	10.84%	18.0%
International Equities	33.70%	44.0%
Other	0.00%	0.0%

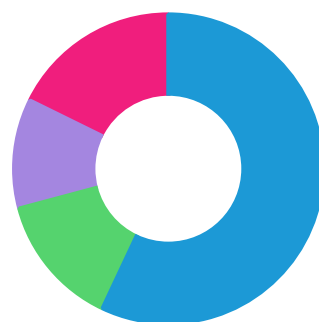
# The actual cash held by the Fund is 8.58%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

## Top Fixed Interest Holdings

Holdings	% of Fund
NatWest 5.125% Perpetual	1.78%
Scentre Group 5.125% 2080	1.37%
ING Groep 4.25% Perpetual	1.28%
Westpac 5% 2027	1.24%
Barclays 4.375% Perpetual	0.98%
JPMorgan 5% 2024	0.83%
Woolworths 2.8% 2030	0.78%
Lloyds Bank 5.125% Perpetual	0.76%
NAB 6.322% 03/08/2032	0.75%
NatWest 6% Perpetual	0.65%

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

## Fund Portfolio Mix



■ Shares 57.00%
 ■ Investment Grade Bonds 13.84%
 ■ High Yield & Unrated Bonds 11.44%
 ■ Cash and Other 17.72%



**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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