

# KiwiSaver Aggressive Fund

Portfolio Investment Entity

## Monthly Fact Sheet as at 31 December 2021



### Portfolio Managers



**Stephen Johnston**  
Portfolio Manager



**Jonathan Windust**  
Co-Portfolio Manager

The Fund gained 3.6% in December and ended up 20.2% for 2021. Despite the emergence of Omicron, a highly contagious new Covid variant, and growing concerns that policy tightening to address inflation may be less transitory than expected, global share markets ended 2021 on an upbeat note.

A key contributor in December was US hospital operator HCA (+14.1%) which ended up a remarkable 57.6% for the year. Operationally, HCA performed strongly during 2021 despite ongoing pandemic pressures: growing market share; enhancing service lines; and expanding care offerings. All of these factors contributed to healthy organic revenue growth. US payments network Mastercard, made a strong recovery in December (+14.1%) after a somewhat disappointing performance in 2021, largely due to the ongoing pandemic. Encouragingly, their high margin cross border payment volumes (reflecting credit card use abroad) continue to recover and we believe there is significant pent-up demand for leisure and business travel that will boost revenue growth in 2022. Another of our reopening plays, Wyndham Hotels and Resorts, performed strongly in December (+13.2%). Wyndham has a strong brand in the US and is benefitting from the recovery in domestic leisure travellers.

In terms of detractors, software companies were under pressure in December with Adobe (-15.3%) and Shopify (-9.5%) both contributing negatively for the month. Allbirds, the NZ founded, sustainable footwear and apparel brand, has had a volatile start since it listed on the Nasdaq in November and was weak in the month (-21.6%). Medium term, Allbird's focus on sustainability lends significant growth potential, as consumers are incorporating higher sustainability standards into the products they buy, including shoes.

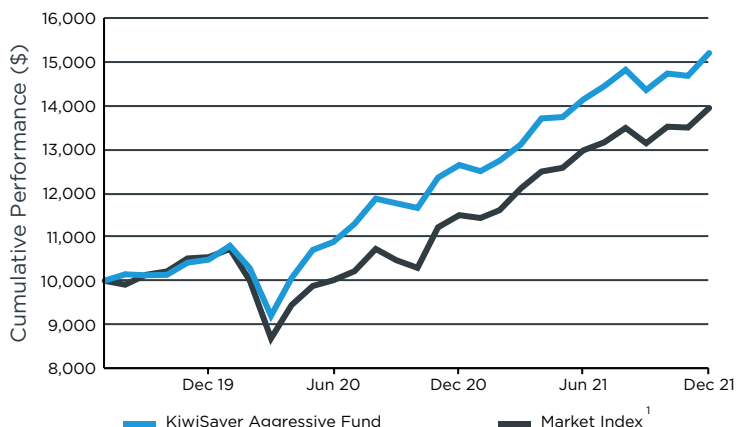
In Australasian markets, strong performers included health care company EBOS (+13.0%) and copper company Sandfire Resources (+9.5%). The biggest detractor was fast food operator Collins Foods (-3.9%).

Looking ahead, we expect elevated volatility in share markets until we have more clarity on Omicron and the outlook for inflation. We are monitoring developments closely and our strategy going forward is to take advantage of the volatility to add our favoured names at cheaper prices.

To view Milford's January 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>2</sup></b>	To maximise capital growth over the minimum recommended investment timeframe
<b>Description</b>	Primarily invests in international equities, with a moderate allocation to Australasian equities

<b>Minimum recommended investment timeframe</b>	10 years +
<b>Target Allocation</b>	5% Income Assets / 95% Growth Assets
<b>Neutral FX Exposure</b>	24.5%
<b>Net Asset Value (NAV)</b>	\$798.6 M
<b>Buy-sell Spread</b>	None - swing pricing applies (See PDS for details)
<b>Inception Date</b>	1 August 2019
<b>Benchmark</b>	Not applicable
<b>Base Fund Fee <sup>3</sup></b>	1.15%
<b>Performance Fee</b>	The Fund may invest into related Milford funds that charge performance fees.
<b>Total Fund Fees <sup>4</sup></b>	1.15%

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

## Investment Performance after fees as at 31 December 2021<sup>5</sup>

Unit Price: \$1.5152

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford KiwiSaver Aggressive Fund (Gross Of Tax)	3.55%	5.89%	20.21%	-	-	18.88%
After Tax 10.50%	3.51%	5.85%	19.98%	-	-	18.47%
After Tax 17.50%	3.49%	5.83%	19.82%	-	-	18.20%
After Tax 28.00%	3.45%	5.79%	19.58%	-	-	17.79%
Market Index <sup>1</sup>	3.31%	6.12%	21.27%	-	-	14.75%

## Top Security Holdings

Holdings	% of Fund
Alphabet	2.78%
Microsoft	2.68%
Danaher	2.29%
HCA Holdings	2.00%
Mastercard	1.95%
Thermo Fisher	1.92%
Wyndham Hotels	1.84%
Aon	1.83%
Ametek	1.77%
Intercontinental Exchange	1.74%

## Current Asset Allocation

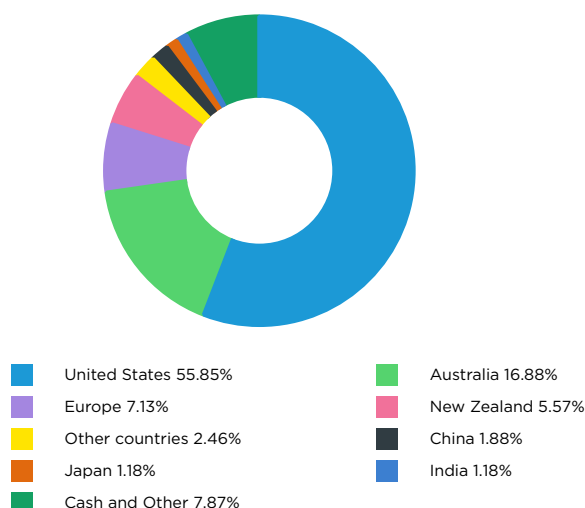
	Actual Investment Mix	Neutral Investment Mix
Effective Cash <sup>#</sup>	7.87%	5.0%
New Zealand Fixed Interest	0.11%	0.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	5.50%	5.0%
Australian Equities	18.05%	20.0%
International Equities	68.47%	70.0%
Other	0.00%	0.0%

<sup>#</sup> The actual cash held by the Fund is 8.29%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

## Sector Allocation

Allocation	Weight %
Information Technology	20.28%
Financials	16.29%
Health Care	14.45%
Consumer Discretionary	10.69%
Industrials	8.47%
Communication Services	6.79%
Materials	4.85%
Consumer Staples	3.61%
Other Sectors	6.70%
Cash and Other	7.87%

## Region Exposure



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



**OUTSTANDING VALUE**  
KIWISAVER SCHEME 2020 - 2021

1. The Fund does not have a performance benchmark, hence a market index has been included for comparison purposes. See the Statement of Investment Policy and Objectives for more details on the market index. The market index is a blend of indices that represent the Fund's neutral asset allocation. Note the Fund's investment strategy is designed to achieve its objective, which may mean that at times, the returns of the market index may not be an appropriate measure. 2. After the base fund fee but before tax and before the performance fee. 3. Where applicable, the Base Fund Fee includes an estimate of non-related underlying fund charges. 4. 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. 5. 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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