

KiwiSaver Conservative Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 November 2021



Portfolio Managers



Paul Morris
Portfolio Manager



Mark Riggall
Co-Portfolio Manager

The recent pressure on Fund returns continued in November with the Fund down 0.4%. Volatility remains elevated across bonds and shares as markets whipsawed on (i) likely monetary policy tightening and (ii) the developing threat from Omicron. Performance across the Fund's broad asset classes was therefore very mixed.

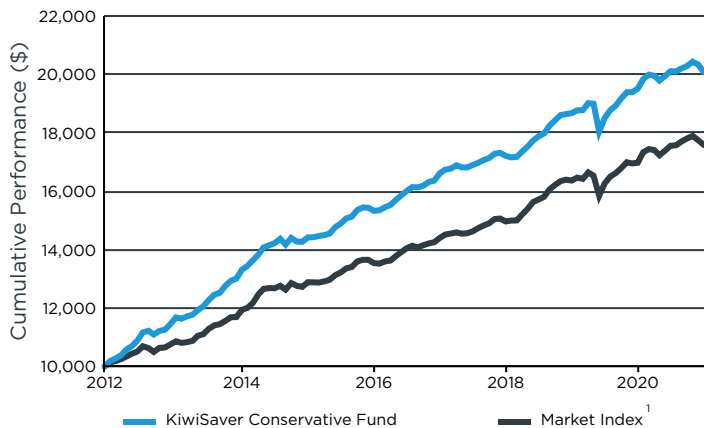
Global corporate bonds were generally weaker, underperforming the safer haven of government bonds, on elevated bond issuance into waning investor demand (likely until interest rate volatility settles). Australasian corporate bond performance was however better, benefitting from larger falls in market interest rates, in part from a less hawkish approach from the Reserve Bank of New Zealand. Of the Fund's shares, NZ was the underperformer with weakness across income and cyclical sectors. Australian shares generally performed well, including a strong month for property. Banks were a laggard. In aggregate global shares also posted a positive month but below the surface there were pockets of weakness focused in the cyclical/reopening exposures which fell in response to the Omicron news.

Looking ahead, many central banks are keen to remove loose settings and government bond yields (especially outside of Australasia) arguably remain too low when considered against all but a materially adverse Omicron outcome. Nevertheless, until we get more clarity on the virus the Fund has incrementally increased exposure to government bond yields (safe haven demand sees yields fall) and has a more conservative setting; holding more cash and less exposure to shares than its long run neutral. Given the breadth of outcomes the share exposure remains well diversified.

To view Milford's December 2021 Market and Economic Review please see 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

Objective²	To provide moderate returns and protect capital over the minimum recommended investment timeframe
Description	Diversified fund that primarily invests in fixed interest securities, with a moderate allocation to equities

Minimum recommended investment timeframe	3 years +
Target Allocation	82% Income Assets / 18% Growth Assets
Neutral FX Exposure	0%
Net Asset Value (NAV)	\$177.6 M
Yield³	2.91%
Average Credit Rating	A-
Duration	2.63 years
Buy-sell Spread	None - swing pricing applies (See PDS for details)
Inception Date	1 October 2012
Benchmark	Not applicable
Base Fund Fee⁴	0.95%
Performance Fee	Not applicable
Total Fund Fees⁵	0.95%

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

KiwiSaver Conservative Fund as at 30 November 2021

Investment Performance after fees as at 30 November 2021⁶

Unit Price: \$1.9679

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford KiwiSaver Conservative Fund (Gross Of Tax)	-0.35%	-2.08%	0.87%	5.26%	5.45%	7.86%
After Tax 10.50%	-0.32%	-1.89%	1.00%	4.88%	5.03%	7.30%
After Tax 17.50%	-0.30%	-1.77%	1.09%	4.63%	4.75%	6.93%
After Tax 28.00%	-0.27%	-1.58%	1.22%	4.25%	4.34%	6.38%
Market Index ¹	0.22%	-1.48%	1.68%	5.54%	5.45%	6.38%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	0.53%
Sydney Airport	0.40%
Goodman	0.38%
Telstra	0.34%
Charter Hall Retail	0.34%
Transurban	0.34%
Spark	0.33%
Microsoft	0.33%
Alphabet	0.32%
Mastercard	0.31%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	16.64%	7%
New Zealand Fixed Interest	24.15%	25%
International Fixed Interest	43.32%	50.00%
New Zealand Equities	2.74%	2%
Australian Equities	1.23%	3%
International Equities	8.64%	9%
Listed Property	3.28%	5%
Other	0.00%	0%

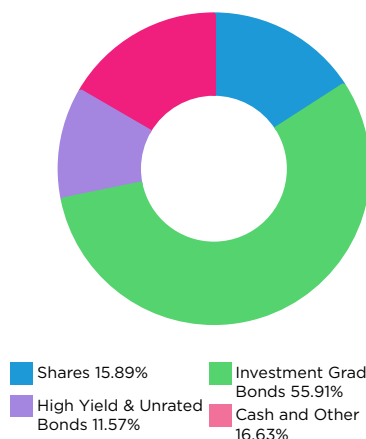
The actual cash held by the Fund is 12.74%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

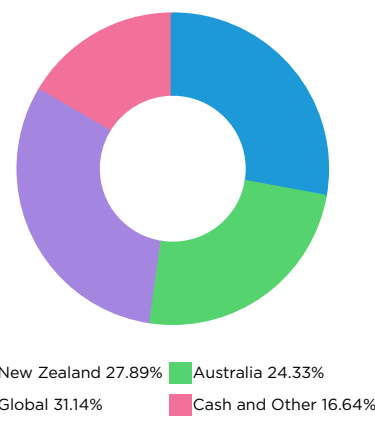
Holdings	% of Fund
Kiwibank 1.3% 2022	2.24%
ANZ 1.45% 2022	1.99%
NZLGFA 1.5% 2026	1.56%
NZ Govt. 0.5% 2026	1.53%
ANZ 2.999% 2031	1.24%
Vector 3.69% 2027	0.83%
Housing NZ 3.36% 2025	0.78%
NZLGFA 1.5% 2029	0.74%
NZLGFA 3.5% 2033	0.68%
NZLGFA 2.25% 2028	0.67%

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

Fund Portfolio Mix



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. 3. Yield (before tax and fees) for underlying investments in the Fund. 4. Where applicable, the Base Fund Fee includes an estimate of non-related underlying fund charges. 5. 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. 6. 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 for more information about the data published within this document.

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