

# KiwiSaver Moderate Fund

Portfolio Investment Entity

## Monthly Fact Sheet as at 31 October 2020



### Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

The Fund returned 0.4% in October. Australasian shares generally posted positive returns, with notably strong performance from NZ property and utility exposures. Global share markets ended the month lower as investors focus on resurgence of the virus and uncertainty surrounding the US election.

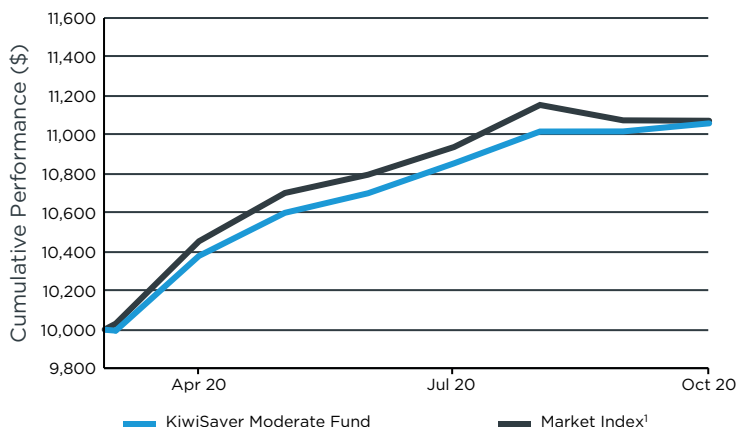
The Fund's global bonds delivered positive performance in October and the Fund benefitted from the primary exposure to corporate bonds which outperformed government bonds. We are focused on investing the Fund in safer, dividend yielding shares, allowing an increased exposure to shares overall, despite the ongoing uncertainty.

Although global economic growth is slowing, policy makers have turned more supportive, with new European restrictions coming hand in hand with fiscal support. Central banks too continue to provide support, notably the Reserve Bank of Australia that is about to embark on their own quantitative easing program. Once the noise of the US election is out of the way, we look to progress updates from vaccine makers to give us more confidence in the medium-term outlook.

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

### Cumulative Fund Performance

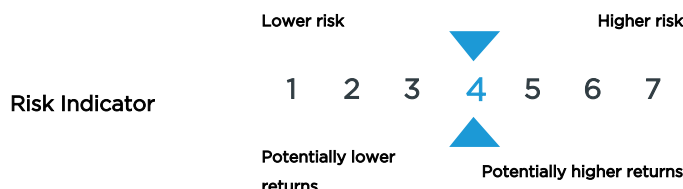
(after fees and before tax)



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

### Key Fund Facts

|                                    |   |
|------------------------------------|---|
| <b>Objective<sup>2</sup></b>       | Moderate returns and capital growth over a minimum of five years  |
| <b>Description</b>                 | Diversified fund that primarily invests in fixed interest securities, with a significant allocation to equities |
| <b>Target Allocation</b>           | 60% Income Assets / 40% Growth Assets   |
| <b>Neutral FX Exposure</b>         | 6.0%  |
| <b>Net Asset Value (NAV)</b>       | \$25.1 M  |
| <b>Buy-sell Spread</b>             | None - swing pricing applies (see PDS for details)  |
| <b>Inception Date</b>              | 27 March 2020   |
| <b>Benchmark</b>                   | Not applicable  |
| <b>Base Fund Fee<sup>3</sup></b>   | 0.95%   |
| <b>Performance Fee</b>             | The Fund may invest into related Milford funds that charge performance fees.                                    |
| <b>Total Fund Fees<sup>4</sup></b> | 0.96% (includes an est. performance fee)  |



# KiwiSaver Moderate Fund as at 31 October 2020

## Investment Performance after fees as at 31 October 2020<sup>5</sup>

Unit Price: \$1.1052

|   | 1 Month | 3 Months | 1 year | 3 years (p.a.) | 5 years (p.a.) | Since Inception |
|---|---------|----------|--------|----------------|----------------|-----------------|
| Milford KiwiSaver Moderate Fund<br>(Gross Of Tax) | 0.38%   | 1.89%    | -      | -              | -              | 10.59%          |
| After Tax 10.50%                                  | 0.32%   | 1.79%    | -      | -              | -              | 10.18%          |
| After Tax 17.50%                                  | 0.29%   | 1.71%    | -      | -              | -              | 9.91%           |
| After Tax 28.00%                                  | 0.23%   | 1.61%    | -      | -              | -              | 9.51%           |
| Market Index <sup>1</sup>                         | -0.02%  | 1.23%    | -      | -              | -              | 10.72%          |

## Top Equity Holdings

| Holdings                   | % of Fund's NAV |
|----------------------------|-----------------|
| Spark New Zealand          | 1.28%           |
| Fisher & Paykel Healthcare | 1.25%           |
| Contact Energy             | 1.03%           |
| Woolworths                 | 0.78%           |
| Transurban Group           | 0.72%           |
| Amazon                     | 0.63%           |
| Goodman Group              | 0.61%           |
| Microsoft Corp             | 0.61%           |
| Alphabet                   | 0.60%           |
| a2 Milk Company            | 0.58%           |

## Current Asset Allocation

|                              | Actual Investment Mix | Neutral Investment Mix |
|------------------------------|-----------------------|------------------------|
| Effective Cash #             | 11.25%                | 9.00%                  |
| New Zealand Fixed Interest   | 14.24%                | 15.00%                 |
| International Fixed Interest | 36.69%                | 36.00%                 |
| New Zealand Equities         | 8.20%                 | 7.00%                  |
| Australian Equities          | 7.45%                 | 8.00%                  |
| International Equities       | 16.54%                | 19.00%                 |
| Listed Property              | 4.95%                 | 6.00%                  |
| Other                        | 0.68%                 | 0%                     |

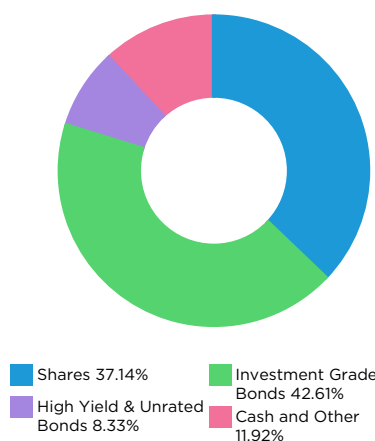
# The actual cash held by the Fund is 8.14%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

## Top Fixed Interest Holdings

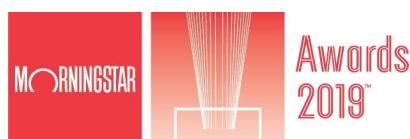
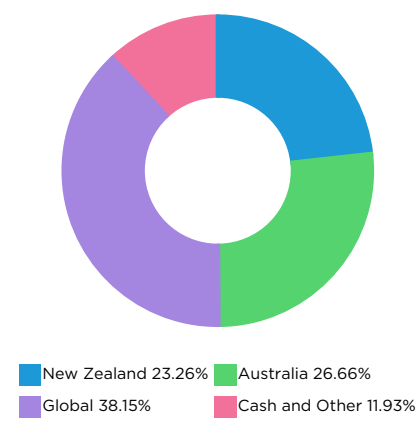
| Holdings                  | % of Fund's NAV |
|---------------------------|-----------------|
| Scentre Group 5.125% 2080 | 1.19%           |
| UBS Float 2025            | 0.84%           |
| AusNet Float 2080         | 0.74%           |
| NZLGFA 1.5% 2026          | 0.71%           |
| NZLGFA 1.5% 2029          | 0.69%           |
| Housing NZ 3.36% 2025     | 0.63%           |
| NZLGFA 3.5% 2033          | 0.60%           |
| Westpac 2.22% 2024        | 0.59%           |
| IBRD 0.625% 2027          | 0.55%           |
| Transpower 1.735% 2025    | 0.51%           |

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

## Fund Portfolio Mix



## Region Exposure



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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