

Milford KiwiSaver Plan  
 KiwiSaver Moderate Fund  
 Monthly Fact Sheet as at 31 August 2022



### Portfolio Managers



**Mark Riggall**  
 Portfolio Manager



**Paul Morris**  
 Co-Portfolio Manager

The Fund returned -0.1% in the month with a one-year return of -4.7%. A volatile month saw global shares reverse a mid-month rally to close the month down 3.5%. Bond markets were also weak as investors expect central banks to have to raise rates more aggressively to combat inflation. We had been sceptical of the rally in shares and have held a much-reduced position (24%) in shares compared to usual (40%). Our stock selection has also been more defensive which has helped us weather market volatility.

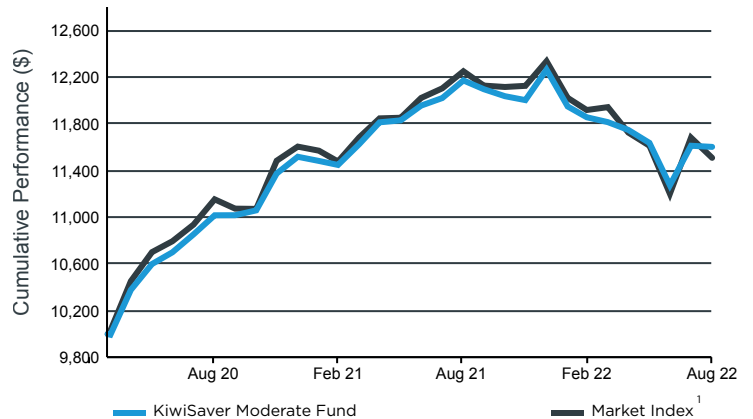
In August, large fund holdings in Contact and Spark paid off with performance of 3.0% and 6.3% respectively from these stocks. Bonds were weaker in August as better global economic growth recently means investors are expecting central banks to have to raise interest rates further to combat inflation. The Fund also has a much-reduced exposure to bonds, helping cushion against these falls. The good news is that bonds have now largely made these adjustments and forward-looking returns look healthier.

Looking ahead, there are a number of key concerns, but primarily the European consumer and the impact of higher global wage growth on company margins and profits. With a lot of cash in the Fund (now earning over 3% interest thanks to higher bank rates), this provides plenty of dry powder to deploy if September heralds further market volatility (as it can often do).

To view Milford's September 2022 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>                    | To provide moderate returns and capital growth over the minimum recommended investment timeframe   |
| <b>Description</b>                              | Diversified fund that primarily invests in fixed interest securities, with a significant allocation to equities  |
| <b>Minimum recommended investment timeframe</b> | 4 years +  |
| <b>Target Allocation</b>                        | 60% Income Assets / 40% Growth Assets  |
| <b>Neutral FX Exposure</b>                      | 6.0%   |
| <b>Net Asset Value (NAV)</b>                    | \$102.8 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)   |
| <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> |



# KiwiSaver Moderate Fund as at 31 August 2022

## Investment Performance after fees as at 31 August 2022<sup>5</sup>

Unit Price: \$1.1572

|  | 1 Month | 3 Months | 1 year | 3 years (p.a.) | 5 years (p.a.) | Since inception (p.a.) |
|--|---------|----------|--------|----------------|----------------|------------------------|
| Milford KiwiSaver Moderate Fund (Gross Of Tax) | -0.08%  | -0.29%   | -4.67% | -              | -              | 6.30%                  |
| After Tax 10.50%                               | -0.09%  | -0.32%   | -4.52% | -              | -              | 6.13%                  |
| After Tax 17.50%                               | -0.09%  | -0.34%   | -4.42% | -              | -              | 6.02%                  |
| After Tax 28.00%                               | -0.10%  | -0.36%   | -4.27% | -              | -              | 5.85%                  |
| Market Index <sup>1</sup>                      | -1.48%  | -0.90%   | -6.05% | -              | -              | 5.95%                  |

## Top Equity Holdings

| Holdings            | % of Fund |
|---------------------|-----------|
| Contact Energy      | 1.45%     |
| HCA Holdings        | 0.76%     |
| Elevance Health     | 0.69%     |
| Santos              | 0.63%     |
| Boston Scientific   | 0.62%     |
| Goodman             | 0.60%     |
| Charter Hall Retail | 0.57%     |
| Natwest             | 0.56%     |
| Telstra             | 0.56%     |
| Spark               | 0.53%     |

## Current Asset Allocation

|                              | Actual Investment Mix | Neutral Investment Mix |
|------------------------------|-----------------------|------------------------|
| Effective Cash #             | 33.78%                | 9.0%                   |
| New Zealand Fixed Interest   | 13.69%                | 15.0%                  |
| International Fixed Interest | 31.73%                | 36.0%                  |
| New Zealand Equities         | 4.68%                 | 6.5%                   |
| Australian Equities          | 2.68%                 | 8.5%                   |
| International Equities       | 9.29%                 | 19.0%                  |
| Listed Property              | 4.15%                 | 6.0%                   |
| Other                        | 0.00%                 | 0.0%                   |

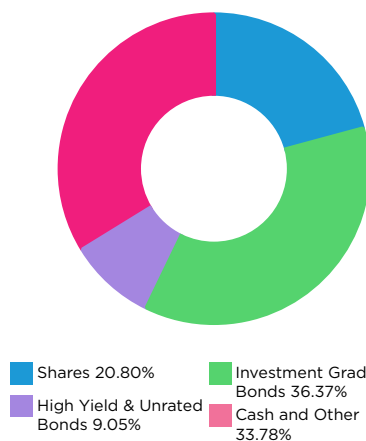
# The actual cash held by the Fund is 18.98%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

## Top Fixed Interest Holdings

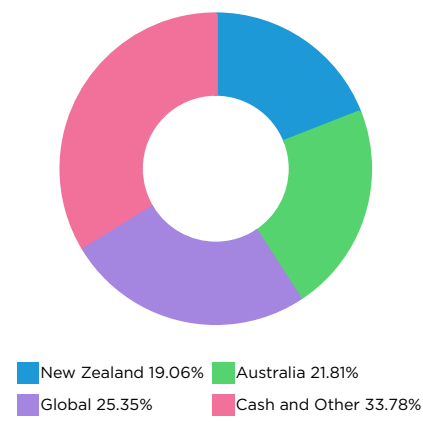
| Holdings                  | % of Fund |
|---------------------------|-----------|
| NZGBI 2% 2025             | 1.19%     |
| NZLGFA 1.5% 2026          | 0.71%     |
| NZLGFA 2.25% 2024         | 0.66%     |
| Genesis 5.66% 2027        | 0.59%     |
| Scentre Group 5.125% 2080 | 0.53%     |
| NZLGFA 4.5% 2027          | 0.50%     |
| IAG 5.32% 2038            | 0.48%     |
| NZLGFA 2.25% 2031         | 0.46%     |
| CBA 4.4% 2027             | 0.45%     |
| NZLGFA 2.25% 2028         | 0.45%     |

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 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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