

KiwiSaver Moderate Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 December 2021



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund had a strong end to the year, up 2.2% in December, bringing the annual return to 6.5%. Performance in December was driven by a rebound in local and global share markets as they shrugged off concerns about the latest Omicron wave of Covid.

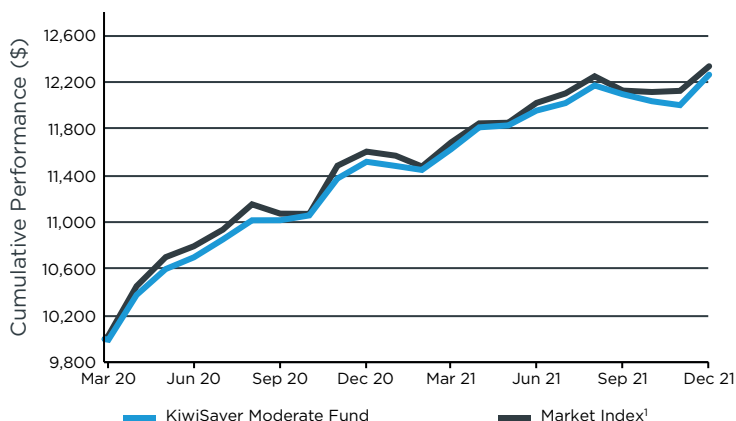
Australian property company Goodman Group was up 7.9% whilst CBRE (global real estate services company) was up 13.5%. Corporate bonds also outperformed global government bonds helping boost performance in the month.

Returns over the past year have been driven almost entirely by the share portion of the portfolio. Bond returns have been muted and are expected to remain so as global central banks follow the RBNZ's lead and raise interest rates. An environment of rising interest rates will likely mean share market returns will be lower and more volatile going forward. The Fund will navigate this environment by retaining a focus on higher returning corporate bonds and being nimble around share market exposure. The economic backdrop remains strong which will continue to provide opportunities to boost returns via good stock selection.

To view Milford's January 2022 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 capital growth over the minimum recommended investment timeframe

Description

Diversified fund that primarily invests in fixed interest securities, with a significant allocation to equities

Minimum recommended investment timeframe	4 years +
Target Allocation	60% Income Assets / 40% Growth Assets
Neutral FX Exposure	6.0%
Net Asset Value (NAV)	\$89.1 M
Buy-sell Spread	None - swing pricing applies (See PDS for details)
Inception Date	27 March 2020
Benchmark	Not applicable
Base Fund Fee ³	0.95%
Performance Fee	The Fund may invest into related Milford funds that charge performance fees.
Total Fund Fees ⁴	0.96% (includes an est. performance fee)

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

KiwiSaver Moderate Fund as at 31 December 2021

Investment Performance after fees as at 31 December 2021⁵

Unit Price: \$1.2241

	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)	2.17%	1.38%	6.47%	-	-	12.25%
After Tax 10.50%	2.14%	1.44%	6.46%	-	-	11.93%
After Tax 17.50%	2.11%	1.48%	6.45%	-	-	11.71%
After Tax 28.00%	2.08%	1.55%	6.43%	-	-	11.39%
Market Index	1.74%	1.72%	6.30%	-	-	12.62%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	1.19%
Alphabet	0.79%
Microsoft	0.76%
Fisher & Paykel	0.72%
Spark	0.64%
Telstra	0.63%
HCA Holdings	0.63%
NAB	0.59%
Charter Hall Retail	0.58%
Mastercard	0.58%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	15.66%	9.0%
New Zealand Fixed Interest	12.87%	15.0%
International Fixed Interest	31.86%	36.0%
New Zealand Equities	6.64%	7.0%
Australian Equities	7.93%	8.0%
International Equities	19.82%	19.0%
Listed Property	5.22%	6.0%
Other	0.00%	0.0%

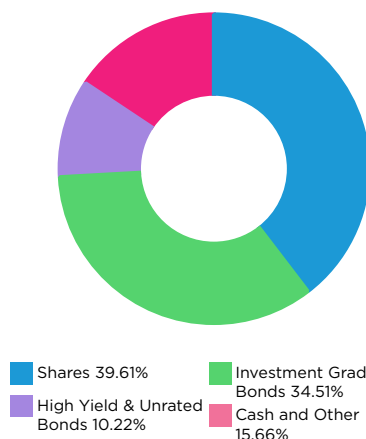
The actual cash held by the Fund is 14.20%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

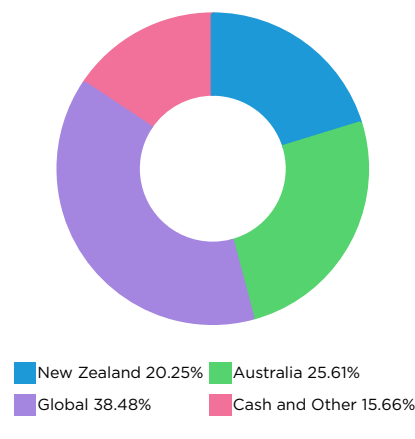
Holdings	% of Fund
NZ Govt. 0.5% 2026	1.31%
Kiwibank 1.3% 2022	1.25%
ANZ 1.45% 2022	0.95%
NZLGFA 1.5% 2026	0.80%
ANZ 2.999% 2031	0.64%
Scentre Group 5.125% 2080	0.59%
Government of Australia 0.5% 2026	0.53%
GAIF 2.584% 2027	0.47%
CBA Float 2031	0.41%
Mirvac Group 3.625% 2027	0.39%

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 for more information about the data published within this document.

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