

Milford KiwiSaver Moderate Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 January 2022



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned -2.6% in January, bringing the one-year return to 4.1%. January was a tough month as both bonds and share markets fell sharply, a particularly toxic mix for a Moderate fund that invests in both. The Fund's reduced exposure to both bonds and shares helped soften the impact, but it is inevitable that the Fund will follow the path of markets to a certain extent.

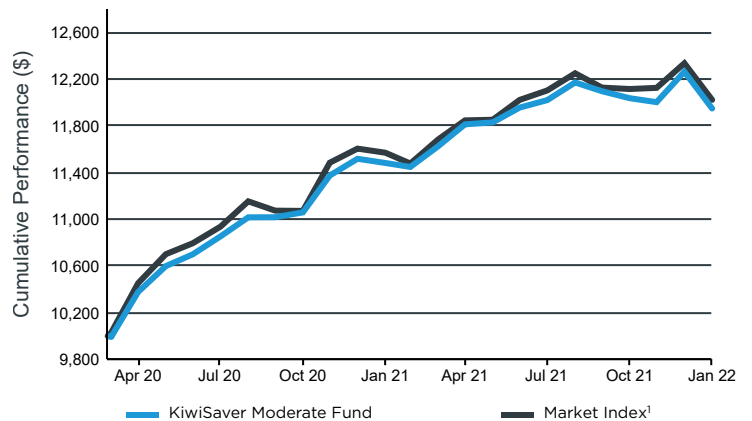
Volatility this month was caused by an abrupt change in tone from the US central bank, who now expect to raise interest rates to fight inflation having previously dismissed this threat. The Fund retains a lower than neutral exposure to bonds and shares in order to weather any further volatility, although we would look to use further weakness in share prices to selectively add to high dividend paying stocks.

Falling bond markets also improves potential returns going forward, given the higher yields on offer. We don't think yields have finished rising just yet so we will be patient before selectively adding back some bond exposure. Further volatility this year will require us to be nimble and the Fund will be actively changing positions accordingly.

To view Milford's February 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 January 2022

Investment Performance after fees as at 31 January 2022⁵

Unit Price: \$1.1926

	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)	-2.57%	-0.73%	4.06%	-	-	10.09%
After Tax 10.50%	-2.53%	-0.71%	4.10%	-	-	9.82%
After Tax 17.50%	-2.51%	-0.69%	4.12%	-	-	9.63%
After Tax 28.00%	-2.48%	-0.67%	4.16%	-	-	9.35%
Market Index	-2.54%	-0.77%	3.91%	-	-	10.48%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	1.23%
Alphabet	0.75%
Microsoft	0.73%
HCA Holdings	0.71%
Spark	0.68%
Santos	0.65%
Telstra	0.64%
NAB	0.61%
Anthem	0.61%
Charter Hall Retail	0.57%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	16.19%	9.0%
New Zealand Fixed Interest	13.83%	15.0%
International Fixed Interest	32.99%	36.0%
New Zealand Equities	6.23%	7.0%
Australian Equities	8.24%	8.0%
International Equities	17.47%	19.0%
Listed Property	5.05%	6.0%
Other	0.00%	0.0%

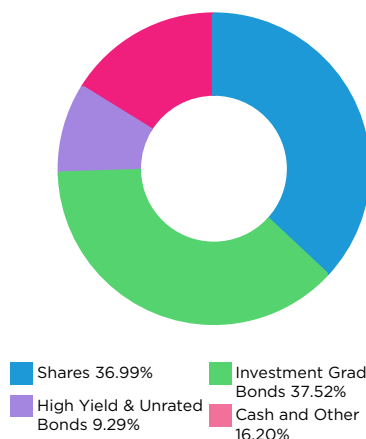
The actual cash held by the Fund is 13.60%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

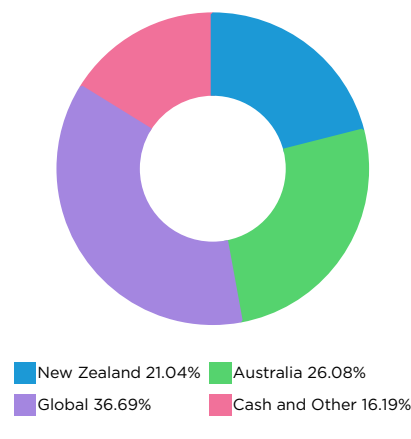
Holdings	% of Fund
NZ Govt. 0.5% 2026	1.61%
Kiwibank 1.3% 2022	1.27%
NZGBI 2% 2025	1.15%
ANZ 1.45% 2022	0.96%
NZLGFA 1.5% 2026	0.78%
ANZ 2.999% 2031	0.63%
Scentre Group 4.75% 2080	0.57%
Government of Australia 0.5% 2026	0.52%
GAIF 2.584% 2027	0.47%
CBA Float 2031	0.42%

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.

Disclaimer: The Milford Fund Fact Sheet has been prepared by Milford Funds Limited. It is based on information believed to be accurate and reliable although no guarantee can be given that this is the case. No reproduction of any material either in part or in full is permitted without prior permission. For more information about the Fund, please refer to the Production Disclosure Statement or the latest Quarterly Fund Update.