

KiwiSaver Moderate Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 September 2021



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned -0.6% in the month with a one year return of 9.8%. A key challenge in the current environment is how to manage a fund whose primary asset class is bonds (up to around 60% of the Moderate Fund's assets).

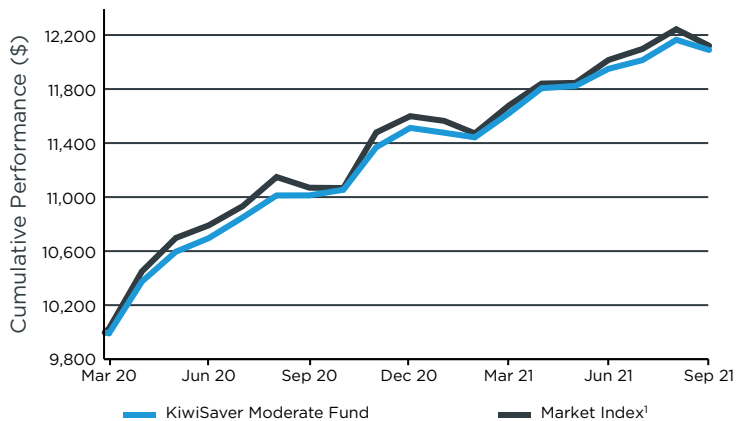
Global inflation is surging and proving somewhat sticky, coupled with central banks who are about to embark on a process (albeit long and drawn out) of withdrawing stimulus and even raising interest rates. These two factors are far from being appropriately priced by global government bonds at present, where yields on offer range from negative to barely 2% across developed countries.

Therefore, the Fund retains a significantly reduced exposure to interest rates. The bulk of the bonds that are held are corporate bonds which do offer higher yields. The share portfolio comprises largely of high dividend yielding shares that can generate a much better income than bonds, although this comes with a higher level of volatility. With a reasonable medium-term outlook, we will continue to look for opportunities to increase the level of shares in the Fund whilst guarding against further volatility.

To view Milford's October 2021 Market and Economic Review please see milfordasset.com/fact-sheet.

Cumulative Fund Performance

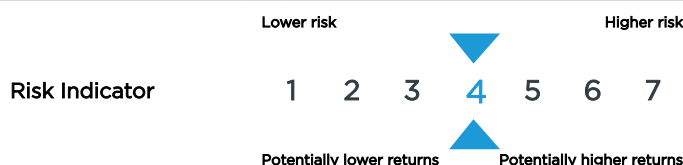
(after fees and before tax)



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

Key Fund Facts

Objective²	To provide moderate returns and 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)	\$73.7 M
Buy-sell Spread	None - swing pricing applies (See PDS for details)
Inception Date	27 March 2020
Benchmark	Not applicable
Base Fund Fee³	0.95%
Performance Fee	The Fund may invest into related Milford funds that charge performance fees.
Total Fund Fees⁴	0.96% (includes an est. performance fee)





KiwiSaver Moderate Fund as at 30 September 2021

Investment Performance after fees as at 30 September 2021⁵

Unit Price: \$1.2076

	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)	-0.62%	1.17%	9.79%	-	-	13.39%
After Tax 10.50%	-0.63%	1.14%	9.51%	-	-	12.97%
After Tax 17.50%	-0.64%	1.12%	9.33%	-	-	12.69%
After Tax 28.00%	-0.65%	1.09%	9.06%	-	-	12.27%
Market Index	-1.00%	0.88%	9.51%	-	-	13.62%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	1.23%
Fisher & Paykel	0.86%
Alphabet	0.74%
Microsoft	0.72%
Telstra	0.69%
Charter Hall Retail	0.63%
Spark	0.62%
Virgin Money	0.60%
Mainfreight	0.60%
HCA Holdings	0.59%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	18.25%	9.00%
New Zealand Fixed Interest	12.77%	15.00%
International Fixed Interest	33.87%	36.00%
New Zealand Equities	7.11%	7.00%
Australian Equities	7.26%	8.00%
International Equities	16.38%	19.00%
Listed Property	4.36%	6.00%
Other	0.00%	0.00%

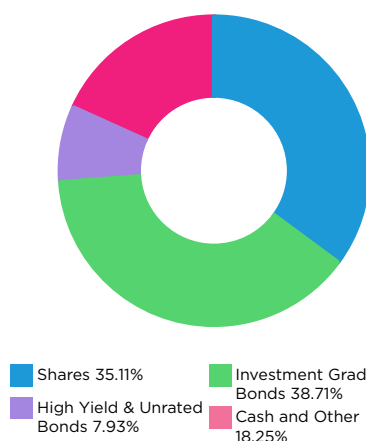
The actual cash held by the Fund is 15.02%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

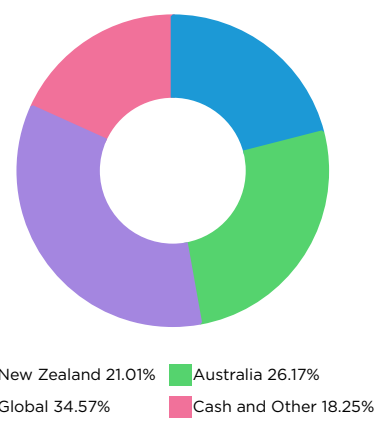
Holdings	% of Fund
Kiwibank 1.3% 2022	1.23%
NZLGFA 1.5% 2026	0.97%
ANZ 2.999% 2031	0.82%
Scentre Group 5.125% 2080	0.54%
NZ Govt. 0.5% 2026	0.50%
Wesfarmers 1.941% 2028	0.50%
Scentre Group 4.75% 2080	0.46%
ASB 5.25% 2026	0.45%
Housing NZ 3.36% 2025	0.44%
CBA Float 2031	0.43%

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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