

Milford KiwiSaver Plan

KiwiSaver Moderate Fund

Monthly Fact Sheet as at 30 September 2022



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned -2.4% in the month bringing the 1-year return to -6.3%. Shares and bonds continued their path lower in September with both reaching new lows for the year. The Fund's defensive investment position helped cushion the falls, particularly in shares where the Fund is only 25% invested (meaningfully below the neutral position of 40%).

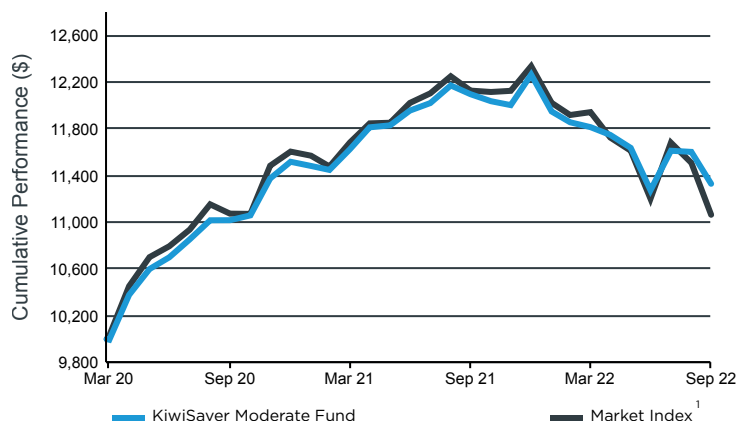
Sharp falls in bonds mean that yields on even government bonds are now looking the most attractive in years - over 4% in the US and NZ. As a result, the Fund has added back some interest rate exposure via government bonds this month. We continue to like corporate bonds, many of which are offering yields of 6-10%. Last month, global central banks maintained their focus on inflation by hiking interest rates at a rapid pace. This is increasingly weighing on the outlook. Whilst the consumer and company profits have held up remarkably well this year, we do expect both to deteriorate over the coming months as rising costs of living and higher interest rates start to bite.

An uncertain outlook means the Fund will likely stay more cautiously positioned in shares for the time being. That said, market volatility is providing some attractive entry points in the shares of companies that we continue to like for the longer term and will benefit from some enduring themes such as healthcare and decarbonisation.

To view Milford's October 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) | \$102.7 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) |

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

KiwiSaver Moderate Fund as at 30 September 2022

Investment Performance after fees as at 30 September 2022⁵

Unit Price: \$1.1296

| | 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) | -2.35% | 0.49% | -6.34% | - | - | 5.09% |
| After Tax 10.50% | -2.35% | 0.39% | -6.17% | - | - | 4.93% |
| After Tax 17.50% | -2.35% | 0.33% | -6.06% | - | - | 4.82% |
| After Tax 28.00% | -2.34% | 0.23% | -5.89% | - | - | 4.66% |
| Market Index ¹ | -3.86% | -1.23% | -8.76% | - | - | 4.10% |

Top Equity Holdings

| Holdings | % of Fund |
|---------------------------|-----------|
| Contact Energy | 1.53% |
| HCA Holdings | 0.85% |
| Elevance Health | 0.75% |
| Boston Scientific | 0.73% |
| Telstra | 0.69% |
| S&P500 E-Mini Future 2022 | 0.69% |
| Bristol-Myers Squibb | 0.64% |
| Santos | 0.64% |
| Natwest | 0.63% |
| JPMorgan | 0.62% |

Current Asset Allocation

| | Actual Investment Mix | Neutral Investment Mix |
|------------------------------|-----------------------|------------------------|
| Effective Cash # | 28.44% | 9.00% |
| New Zealand Fixed Interest | 14.41% | 15.00% |
| International Fixed Interest | 34.47% | 36.0% |
| New Zealand Equities | 4.82% | 6.500% |
| Australian Equities | 3.33% | 8.500% |
| International Equities | 10.58% | 19.00% |
| Listed Property | 3.95% | 6.00% |
| Other | 0.00% | 0.0% |

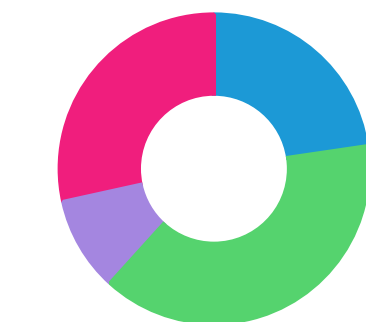
The actual cash held by the Fund is 13.43%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

| Holdings | % of Fund |
|---------------------------|-----------|
| NZGBI 2% 2025 | 1.26% |
| NBN Co 4.75% 2026 | 0.86% |
| NZLGFA 1.5% 2026 | 0.74% |
| NZLGFA 2.25% 2024 | 0.69% |
| Genesis 5.66% 2027 | 0.62% |
| Scentre Group 5.125% 2080 | 0.57% |
| Westpac 6.19% 2032 | 0.56% |
| NZLGFA 4.5% 2027 | 0.52% |
| IAG 5.32% 2038 | 0.50% |
| NatWest 5.125% Perpetual | 0.48% |

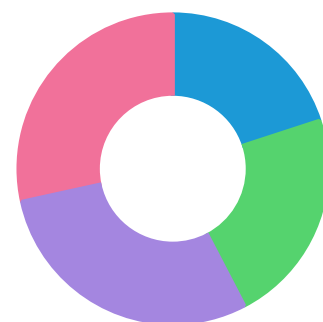
Note: Fixed interest securities are reported in the following format: Issuer name, interest (coupon rate), maturity year.

Fund Portfolio Mix



■ Shares 22.68%
 ■ Investment Grade Bonds 39.03%
 ■ High Yield & Unrated Bonds 9.84%
 ■ Cash and Other 28.45%

Region Exposure



■ New Zealand 19.98%
 ■ Australia 22.38%
 ■ Global 29.20%
 ■ Cash and Other 28.44%



PROVIDER OF THE YEAR
KIWISAVER 2020 - 2022



OUTSTANDING VALUE
KIWISAVER SCHEME 2020 - 2022

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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