

KiwiSaver Active Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 July 2019



Portfolio Managers



Jonathan Windust
Portfolio Manager



William Curtayne
Co-Portfolio Manager

The Fund rose 1.6% in July, benefiting from strong share markets in Australia and New Zealand. Share markets remain supported by investors seeking alternatives to low interest rates. The Fund's investment in the Dynamic Fund performed strongly rising 4.9% for the month.

Key company performers during the month included a2 Milk (+22.8%) and Ebos (+7.7%) in New Zealand, Australian property company Aventus (+7.9%) and Google's parent company Alphabet (+12.6%). a2 shares rebounded as the market speculated they will deliver a strong earnings result in August whilst Google rose following a strong quarterly earnings report. During the month the Fund took advantage of strong share market performances to reduce exposure to New Zealand and Australian shares - in particular, we trimmed holdings in a2 Milk and Contact Energy.

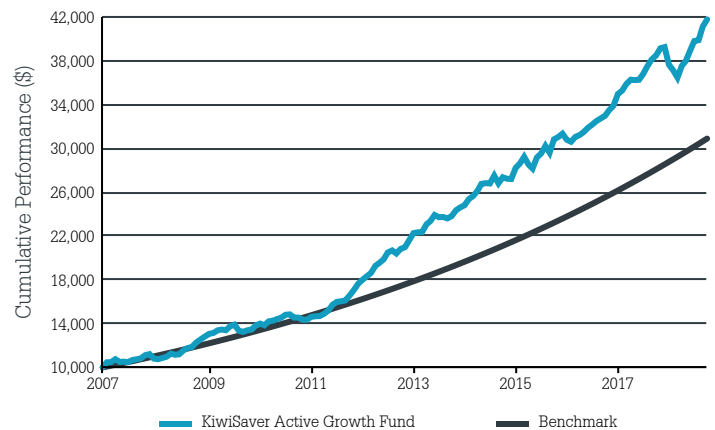
Looking forward we believe shares will be supported by very low interest rates, reasonable dividend yields and positive economic growth. Key headwinds for shares are relatively high valuations, slowing economic growth and political uncertainty. Given this backdrop and the rise in share market valuations this year the Fund is cautious with a lower than average weight toward shares.

Looking forward we continue to work hard to isolate those companies which we believe have strong prospects and will deliver strong returns.

To view Milford's August 2019 Market and Economic Review please see milfordasset.com/fact-sheet-ks.

Cumulative Fund Performance

(after fees and before tax)



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

Key Fund Facts

| | |
|-------------------------------------|---|
| Objective ¹ | Annual returns of 10% over a minimum of five years |
| Description | Diversified fund that primarily invests in equities, with a moderate allocation to fixed interest securities |
| Target Allocation | 20% Income Assets / 80% Growth Assets |
| Neutral FX Exposure | 11.00% |
| Net Asset Value (NAV) | \$1,430.2 M |
| Buy-sell Spread | None |
| Inception Date | 1 October 2007 |
| Benchmark | 10% p.a. |
| Base Fund Fee ² | 1.06% |
| Performance Fee | 15% of the Fund's returns above the Benchmark ¹ , subject to the high watermark. |
| Total Fund Fees ³ | 1.28% (includes an est. performance fee) |
| Risk Indicator | <div style="display: flex; justify-content: space-between;"> Lower risk Higher risk </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> Potentially lower returns Potentially higher returns </div> |

Investment Performance after fees as at 31 July 2019⁴

Unit Price: \$3.906

| | 1 Month | 3 Months | 1 year | 3 years (p.a.) | 5 years (p.a.) | Since inception (p.a.) |
|---|---------|----------|--------|----------------|----------------|------------------------|
| Milford KiwiSaver Active Growth Fund (Gross Of Tax) | 1.57% | 4.97% | 8.55% | 10.67% | 11.90% | 12.84% |
| After Tax 10.50% | 1.58% | 4.94% | 8.22% | 10.33% | 11.50% | 12.29% |
| After Tax 17.50% | 1.59% | 4.91% | 8.00% | 10.09% | 11.23% | 12.08% |
| After Tax 28.00% | 1.60% | 4.88% | 7.66% | 9.75% | 10.83% | 11.63% |
| Benchmark | 0.81% | 2.43% | 10.00% | 10.00% | 10.00% | 10.00% |

Top Equity Holdings

| Holdings | % of Fund's NAV |
|-------------------------------|-----------------|
| Contact Energy | 3.92% |
| a2 Milk Company | 3.06% |
| iShares MSCI EAFE Min Vol ETF | 3.03% |
| Spark New Zealand | 2.75% |
| Alphabet | 1.49% |
| Delegat Group | 1.34% |
| Visa | 1.28% |
| Fisher & Paykel Healthcare | 1.23% |
| Kiwi Property Group | 1.21% |
| EBOS Group | 1.18% |

Current Asset Allocation

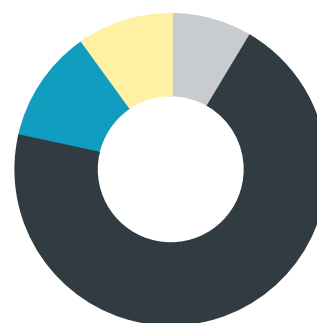
| | Actual Investment Mix | Neutral Investment Mix |
|------------------------------|-----------------------|------------------------|
| Cash and Cash Equivalents | 9.51% | 6.00% |
| New Zealand Fixed Interest | 2.39% | 4.00% |
| International Fixed Interest | 17.84% | 10.00% |
| New Zealand Equities | 27.76% | 32.00% |
| Australian Equities | 16.95% | 26.00% |
| International Equities | 25.06% | 22.00% |
| Other | 0.49% | 0% |

Top Fixed Interest Holdings

| Holdings | % of Fund's NAV |
|---------------------------|-----------------|
| Westpac 5% 2027 | 1.42% |
| CYBG 8% 2049 | 1.37% |
| NAB Float 2029 | 1.13% |
| Crown Resorts 5.795% 2075 | 0.76% |
| CYBG 7.875% 2028 | 0.76% |
| Rabobank 4.625% 2025 | 0.71% |
| Vodafone Group 6.25% 2078 | 0.69% |
| IAG Float 2045 | 0.65% |
| Credit Suisse 7.5% 2023 | 0.60% |
| ASB Bank 5.25% 2026 | 0.59% |

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

Fund Portfolio Mix



Investment Grade Bonds 8.62% Shares 69.76%
 High Yield & Unrated Bonds 11.62% Cash and Other 10.00%

1. After the base fund fee but before tax and before the performance fee. **2.** Where applicable, the Base Fund Fee includes an estimate of non-related underlying fund charges. **3.** 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. **4.** This is based on the performance of the AonSaver AMT Milford Aggressive Fund until 31 March 2010 and the Milford KiwiSaver Active Growth Fund from 1 April 2010. 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.

Level 28, 48 Shortland Street, Auckland
 PO Box 960, Shortland Street, Auckland 1140
 Free phone 0800 662 346
milfordasset.com

