

KiwiSaver Active Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 May 2020



Portfolio Managers



Jonathan Windust
Portfolio Manager



William Curtayne
Co-Portfolio Manager

The Fund rose 3.8% in May and benefitted from the continued recovery in share and fixed interest markets. The NZ, Australian and global share markets ending up 3.3%, 4.4% and 4.7% respectively. Share markets reacted positively to the potential for economies to reopen and benefitted from investors looking to put cash to work. We were pleased with the Fund's performance which was generally in line with share markets despite retaining a relatively defensive positioning with high levels of cash. Performance was aided by good company selection and a rebound in credit markets.

Key positives during the month included Australian gold companies, Northern Star (+15.7%) and Evolution Mining (+19.4%) which benefitted from the rise in the gold price. Gold is seen as a beneficiary of the large amount of liquidity being added by central banks which may devalue traditional monetary investments. The Fund's US home improvement store investments Lowe's (+24.4%) and Home Depot (+13.0%) also rose strongly. These stores reported very strong sales and have been a beneficiary of stay at home policies. The stores were deemed essential services and allowed to remain open during lock down and have benefitted from strong demand as consumers look to spend on their homes and gardens.

The Fund was active during the month and generally added to share investments as we became more comfortable that the virus was under control in NZ and Australia. In Australia we added to our holdings in insurance company IAG and supermarket company Woolworths. We believe that both of these companies have good management and strong competitive positions that will enable them to deliver solid returns through a combination of dividends and earnings growth. In NZ we added building company Fletcher Building. Whilst we believe Fletcher Building may remain under pressure in the short term we believe that this was fully reflected in its share price. We remain cautious on global markets where valuations have increased despite still high virus numbers.

In the short term markets are likely to remain volatile given the very uncertain impact of the coronavirus on economies, company earnings and valuations. However, the medium-term impact on company earnings and valuations is lower with many companies' earnings likely to rebound strongly and some even benefitting. On balance the Fund remains cautious given the uncertain environment and recent rise in share market valuations. The Fund has a lower than average allocation to shares of around 70%, however, we remain excited that this market will provide great opportunities for active management gains.

To view Milford's June 2020 Market and Economic Review please see milfordasset.com/fact-sheet.

External Ratings



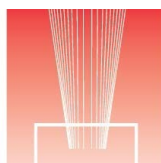
Milford KiwiSaver Active Growth Fund received a Morningstar Analyst Rating™ of 'Silver' on 29-05-2018



Consumer NZ People's Choice Award – KiwiSaver



Morningstar Fund Manager of the Year -
KiwiSaver Category, NZ



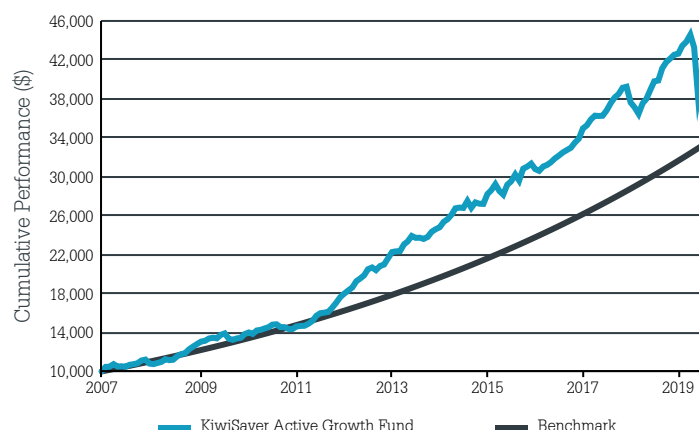
Awards
2019™



Zenith FundSource - Fund Manager of the Year 2019

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	22% Income Assets / 78% Growth Assets
Neutral FX Exposure	16.0%
Net Asset Value (NAV)	\$1,564.3 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> <div>Lower risk</div> <div>Higher risk</div> <div>1 2 3 4 5 6 7</div> <div>Potentially lower returns Potentially higher returns</div> </div>

Investment Performance after fees as at 31 May 2020⁴

Unit Price: \$3.913

	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)	3.75%	-3.09%	5.19%	8.88%	8.80%	11.98%
After Tax 10.50%	3.77%	-2.93%	5.04%	8.63%	8.49%	11.46%
After Tax 17.50%	3.78%	-2.82%	4.94%	8.47%	8.27%	11.26%
After Tax 28.00%	3.80%	-2.65%	4.78%	8.21%	7.95%	10.84%
Benchmark	0.81%	2.43%	10.00%	10.00%	10.00%	10.00%

Top Equity Holdings

Holdings	% of Fund's NAV
a2 Milk Company	3.81%
Spark New Zealand	3.33%
Fisher & Paykel Healthcare	3.23%
Contact Energy	2.58%
Microsoft Corp	1.69%
Summerset Group Holdings	1.68%
Alphabet	1.60%
Charter Hall Retail	1.36%
Visa	1.33%
Electronic Arts	1.31%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	17.29%	6.00%
New Zealand Fixed Interest	1.70%	4.00%
International Fixed Interest	13.36%	12.00%
New Zealand Equities	22.30%	26.00%
Australian Equities	18.44%	20.00%
International Equities	26.91%	32.00%
Other	0.00%	0%

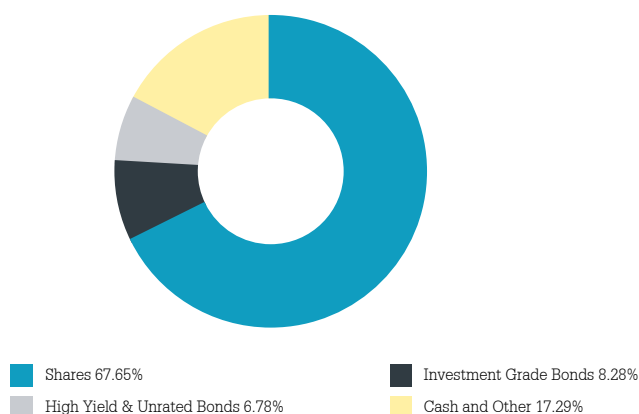
The actual cash held by the Fund is 6.12%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

Holdings	% of Fund's NAV
Commonwealth of Australia 5.5% 2023	2.17%
CYBG 8% 2049	0.99%
Vodafone Group 6.25% 2078	0.70%
Crown Resorts 5.795% 2075	0.70%
Lloyds Bank 5.125% Perpetual	0.64%
CYBG 7.875% 2028	0.60%
ASB Bank 5.25% 2026	0.55%
Woolworths 2.8% 2030	0.53%
OBE 6.75% 2044	0.52%
Barclays 5.875% 2024	0.50%

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

Fund Portfolio Mix



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.

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