

KiwiSaver Aggressive Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 September 2020



Portfolio Managers



Stephen Johnston
Portfolio Manager



Jonathan Windust
Co-Portfolio Manager

The Fund fell 0.9% in September and is up 16.2% over the last year. It was a volatile month, with a sharp correction in some of the best performers year-to-date such as US technology stocks. There was also a rotation into some of the more economically sensitive sectors such as industrials and materials. The S&P 500 Index that comprises the largest companies in America fell 3.8% in September, while the technology-heavy Nasdaq Index dropped 5.1%.

Key positive contributors included US aggregates company Martin Marietta (+16.0%), benefitting from the rotation into more cyclical areas of the market. Japanese accounting software company Freee (+35.9%) continued to exceed our expectations and has now almost quadrupled since its IPO in December 2019. Another strong performer was French luxury goods company Kering (+10.3%) that owns a portfolio of well-known brands like Gucci, Bottega Veneta and Saint Laurent. Kering's 2020 earnings have been severely impacted by COVID-19 but we anticipate a strong recovery in the coming years given pent up demand. DR Horton (+6.0%), the largest US homebuilder, also contributed positively as it benefits from the housing boom in the US as homebuyers take advantage of record low mortgage rates.

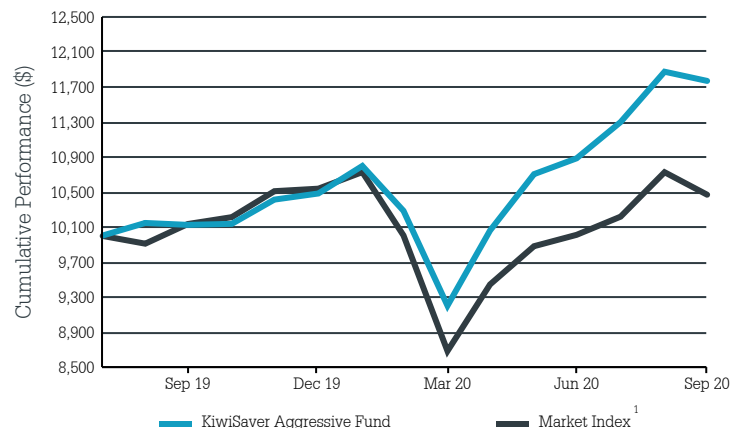
Detractors included large cap US technology companies including Apple (-10.3%), Alphabet (-10.1%), and Amazon (-8.8%) as investors locked in gains after incredibly strong returns year to date. Positive contributors in Australasia included tourism and transport company Sealink Travel (+18.3%), building materials company CSR (+16.7%), and mortgage provider AFG (+19.6%). In terms of detractors, local companies a2 Milk (-17.5%) and Fisher & Paykel Healthcare (-9.7%) both fell.

As we move into the final quarter of 2020, we expect volatility to stay high given the uncertainty surrounding the economic outlook and the success of Phase 3 vaccine trials for COVID-19. We continue to take an opportunistic approach in this market volatility, by identifying high quality businesses that will emerge from this downturn even stronger.

To view Milford's October 2020 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

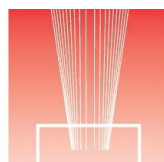
Objective ²	Maximise capital growth over a minimum of fifteen years
Description	Primarily invests in international equities, with a moderate allocation to Australasian equities
Target Allocation	5% Income Assets / 95% Growth Assets
Neutral FX Exposure	24.5%
Net Asset Value (NAV)	\$190.0 M
Buy-sell Spread	None - swing pricing applies (see PDS for details)
Inception Date	1 August 2019
Benchmark	Not applicable
Base Fund Fee ³	1.15%
Performance Fee	The Fund may invest into related Milford funds that charge performance fees.
Total Fund Fees ⁴	1.15%
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>



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

Investment Performance after fees as at 30 September 2020⁵

Unit Price: \$1.1748

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford KiwiSaver Aggressive Fund (Gross Of Tax)	-0.88%	8.11%	16.22%	-	-	14.95%
After Tax 10.50%	-0.83%	7.96%	15.83%	-	-	14.73%
After Tax 17.50%	-0.80%	7.86%	15.57%	-	-	14.58%
After Tax 28.00%	-0.74%	7.71%	15.18%	-	-	14.36%
Market Index ¹	-2.39%	4.57%	3.30%	-	-	4.02%

Top Security Holdings

Holdings	% of Fund's NAV
Amazon	3.12%
Microsoft Corp	2.73%
Alphabet	2.60%
Thermo Fisher Scientific	2.01%
Visa	1.81%
Alibaba Group	1.79%
Mastercard	1.79%
Home Depot	1.78%
Transunion	1.77%
Dr Horton	1.75%

Current Asset Allocation

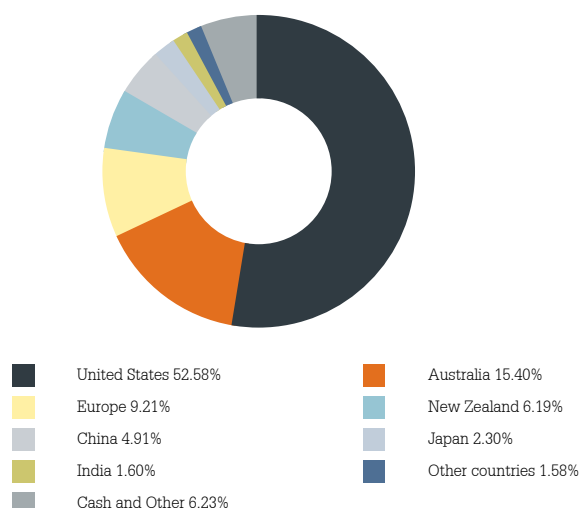
	Actual Investment Mix	Neutral Investment Mix
Effective Cash [#]	6.23%	5.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	5.72%	5.00%
Australian Equities	16.32%	20.00%
International Equities	71.73%	70.00%
Other	0.00%	0%

[#] The actual cash held by the Fund is 7.82%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Sector Exposure

Allocation	Weight %
Information Technology	22.00%
Consumer Discretionary	15.75%
Health Care	12.67%
Financials	10.37%
Industrials	9.28%
Communication Services	6.95%
Materials	5.81%
Consumer Staples	5.67%
Other Sectors	5.27%
Cash and Other	6.23%

Region Exposure



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.

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

