

KiwiSaver Moderate Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 January 2021



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned -0.3% in January.

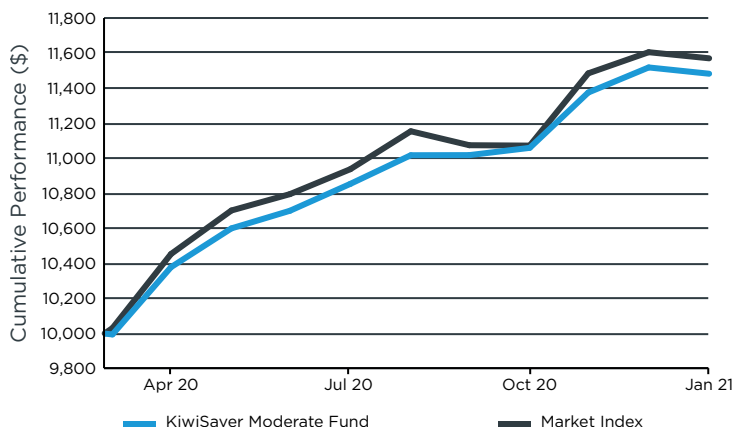
The key development in January was the US Democrats gaining control of the Senate. This increases the prospect of further economic stimulus, which coupled with a successful vaccine rollout should deliver a meaningful economic boost. This is positive for company profits, but also raises the prospect of higher interest rates - a potentially concerning development for investors given low interest rates have underpinned share and bond prices in recent years.

The Moderate Fund has reduced explicit exposure to interest rates and has an elevated exposure to corporate bonds which should deliver a better long-run return than government bonds. The Fund also has an increased exposure to shares, which are attractive given the supportive backdrop for economic growth. Other than higher bond yields, the key risk stems from a significant delay to vaccine deployment.

To view Milford's February 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

Objective

Moderate returns and capital growth over a minimum of five years

Description

Diversified fund that primarily invests in fixed interest securities, with a significant allocation to equities

Target Allocation	60% Income Assets / 40% Growth Assets
Neutral FX Exposure	6.0%
Net Asset Value (NAV)	\$31.7 M
Buy-sell Spread	None - swing pricing applies (See PDS for details)
Inception Date	27 March 2020
Benchmark	Not applicable
Base Fund Fee	0.95%
Performance Fee	The Fund may invest into related Milford funds that charge performance fees.
Total Fund Fees	0.96% (includes an est. performance fee)





KiwiSaver Moderate Fund as at 31 January 2021

Investment Performance after fees as at 31 January 2021

Unit Price: \$1.1473

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since Inception
Milford KiwiSaver Moderate Fund (Gross Of Tax)	-0.31%	3.83%	-	-	-	14.82%
After Tax 10.50%	-0.33%	3.68%	-	-	-	14.24%
After Tax 17.50%	-0.34%	3.59%	-	-	-	13.86%
After Tax 28.00%	-0.35%	3.45%	-	-	-	13.28%
Market Index	-0.30%	4.50%	-	-	-	15.70%

Top Equity Holdings

Holdings	% of Fund
Spark	1.16%
Fisher & Paykel	1.12%
Contact Energy	0.88%
Woolworths	0.70%
Microsoft	0.68%
Telstra	0.68%
Wesfarmers	0.61%
Amazon	0.56%
Transurban	0.56%
Summerset	0.56%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	10.41%	9.00%
New Zealand Fixed Interest	13.08%	15.00%
International Fixed Interest	35.59%	36.00%
New Zealand Equities	8.13%	7.00%
Australian Equities	9.75%	8.00%
International Equities	17.69%	19.00%
Listed Property	4.77%	6.00%
Other	0.58%	0%

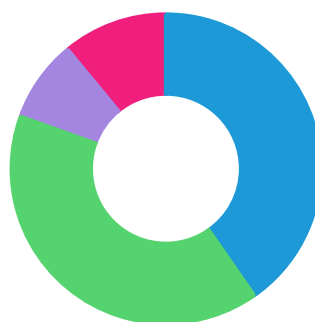
The actual cash held by the Fund is 9.07%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

Holdings	% of Fund
Scentre Group 5.125% 2080	1.11%
Westpac Float 2031	0.63%
NZLGFA 1.5% 2029	0.61%
AusNet Float 2080	0.61%
NAB Float 2030	0.61%
ASB Bank 5.25% 2026	0.57%
Housing NZ 3.36% 2025	0.57%
Westpac 2.22% 2024	0.53%
NZLGFA 3.5% 2033	0.53%
Kiwibank 2.36% 2030	0.50%

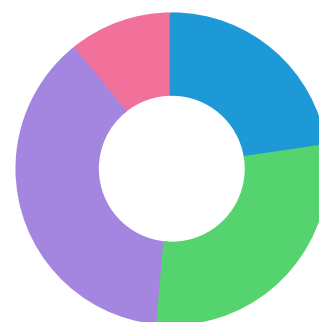
Note: Fixed interest securities are reported in the following format: Issuer name, interest (coupon rate), maturity year.

Fund Portfolio Mix



Shares 40.34%
Investment Grade Bonds 40.12%
High Yield & Unrated Bonds 8.55%
Cash and Other 10.99%

Region Exposure



New Zealand 22.68%
Australia 28.70%
Global 37.63%
Cash and Other 10.99%



PROVIDER OF THE YEAR
KIWISAVER 2020



OUTSTANDING VALUE
KIWISAVER 2020

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.

Disclaimer: The Milford Fund Fact Sheet has been prepared by Milford Funds Limited. It is based on information believed to be accurate and reliable although no guarantee can be given that this is the case. No reproduction of any material either in part or in full is permitted without prior permission. For more information about the Fund, please refer to the Production Disclosure Statement or the latest Quarterly Fund Update.