

Milford KiwiSaver Plan

KiwiSaver Conservative Fund

Monthly Fact Sheet as at 31 December 2024



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 0.1% in December, bringing the one-year return to 8.5%. Fund performance was dragged lower by weaker bond and share markets last month, as investors recalibrate higher the expected path of interest rates from here.

The Fund has had reduced exposure to long term bonds where much of the weakness has been concentrated, although post the most recent move the Fund has taken the opportunity to add back some exposure as yields on offer start to look more attractive. We are reaching the point where bonds start to look attractive again, having fallen significantly from their highs in September. Bonds will offer strong returns if there are unexpected shocks or global economic weakness. The Fund has also had derivative protection against falls in share markets. Some of this protection has been unwound into the weakness in December, effectively buying shares as markets fell. In terms of stock selection, it was pleasing to see strong performance from key holding Contact Energy (+5.6%) alongside a solid outperformance from Spark (+0.7%), a stock we have been adding to recently.

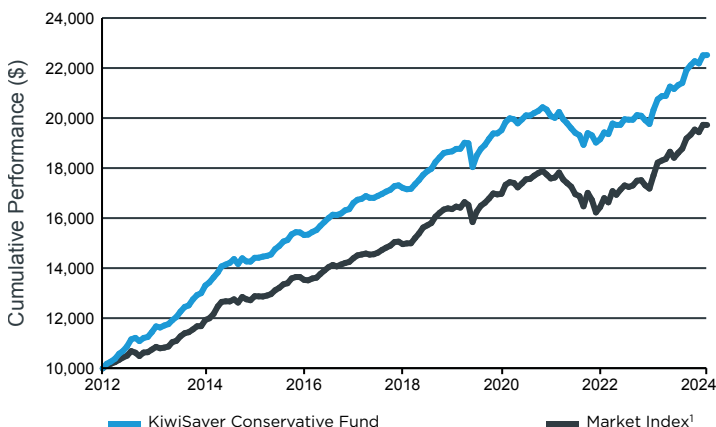
Looking ahead, it is likely that we will continue to see volatility in markets as investors digest incoming news flow. The Trump inauguration in late January will come alongside likely announcements on tariffs. Whilst some of this is expected, both bond and share market investors will be analysing the details for implications for inflation and economic growth. The Fund is well positioned to take advantage of swings in both bond and share markets.

To view Milford's December 2024 Market and Economic Review please see milfordasset.com/insights.

For previous fund reports see milfordasset.com/fund-reports.

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 protect capital over the minimum recommended investment timeframe

Description

Diversified fund that primarily invests in fixed interest securities, with a moderate allocation to equities. While conservative in nature, the Fund may experience short term negative returns, particularly in times of heightened volatility

| | |
|---|--|
| Minimum recommended investment timeframe | 3 years + |
| Target Allocation | 82% Income Assets / 18% Growth Assets |
| Neutral FX Exposure | 0% |
| Net Asset Value (NAV) | \$278.5 M |
| Yield³ | 3.95% |
| Average Credit Rating | BBB+ |
| Duration | 3.05 years |
| Buy-sell Spread | None - swing pricing applies (See PDS for details) |
| Inception Date | 1 October 2012 |
| Benchmark | Not applicable |
| Base Fund Fee⁴ | 0.85% |
| Performance Fee | Not applicable |
| Total Fund Fees⁵ | 0.85% |





KiwiSaver Conservative Fund as at 31 December 2024

Investment Performance after fees as at 31 December 2024⁶

Unit Price: \$2.209

| | 1 Month | 3 Months | 1 year | 3 years (p.a.) | 5 years (p.a.) | Since inception (p.a.) |
|--|---------|----------|--------|----------------|----------------|------------------------|
| Milford KiwiSaver Conservative Fund (Gross Of Tax) | 0.05% | 1.10% | 8.53% | 3.61% | 3.70% | 6.85% |
| After Tax 10.50% | 0.02% | 1.04% | 7.87% | 3.29% | 3.42% | 6.35% |
| After Tax 17.50% | 0.00% | 1.00% | 7.44% | 3.07% | 3.23% | 6.02% |
| After Tax 28.00% | -0.02% | 0.94% | 6.79% | 2.75% | 2.95% | 5.52% |
| Market Index ¹ | -0.02% | 0.94% | 8.25% | 3.43% | 3.73% | 5.70% |

Top Equity Holdings

| Holdings | % of Fund |
|--------------------------------|-----------|
| Contact Energy | 1.06% |
| Microsoft | 0.91% |
| Spark | 0.71% |
| Natwest | 0.68% |
| Telstra | 0.64% |
| Infratil | 0.63% |
| Bank of America | 0.62% |
| Shell | 0.52% |
| CRH | 0.50% |
| Coca-Cola Europacific Partners | 0.50% |

Current Asset Allocation

| | Actual Investment Mix | Neutral Investment Mix |
|------------------------------|-----------------------|------------------------|
| Effective Cash [#] | 25.89% | 7% |
| New Zealand Fixed Interest | 20.59% | 25% |
| International Fixed Interest | 38.52% | 50.0% |
| New Zealand Equities | 2.81% | 1.5% |
| Australian Equities | 3.88% | 2.5% |
| International Equities | 5.65% | 9% |
| Listed Property | 2.66% | 5% |
| Other | 0.00% | 0.0% |

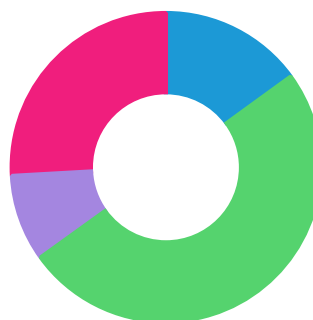
[#] The actual cash held by the Fund is 15.99%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

| Holdings | % of Fund |
|--|-----------|
| Westpac 5.618% 2035 | 1.83% |
| NZGBI 2% 2025 | 1.77% |
| NZLGFA 4.5% 2030 | 1.72% |
| Origin Energy 5.35% 2031 | 1.32% |
| NZLGFA 1.5% 2026 | 1.03% |
| Progress Trust 5.265% 2049 | 1.00% |
| Housing NZ 3.42% 2028 | 0.98% |
| NZLGFA 1.5% 2029 | 0.95% |
| Iberdrola 5.87% 2034 | 0.94% |
| EnBW International Finance 6.048% 2034 | 0.91% |

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

Fund Portfolio Mix



- Shares 15.00%
- Investment Grade Bonds 50.07%
- High Yield & Unrated Bonds 9.04%
- Cash and Other 25.89%

Region Exposure



- New Zealand 25.76%
- Australia 26.55%
- Global 21.80%
- Cash and Other 25.89%



PROVIDER OF THE YEAR
KIWISAVER 2020 - 2024



OUTSTANDING VALUE
KIWISAVER SCHEME 2020 - 2024

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. 3. The yield to maturity is not an indicator of future return, but reflects the current yield to maturity of the fund's underlying holdings (before tax and after the base fund fee). 4. Where applicable, the Base Fund Fee includes an estimate of non-related underlying fund charges. 5. 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. 6. 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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