



Market commentary

Global share markets extended their rally through the September quarter, supported by widespread interest rate cuts and optimism around artificial intelligence. The US share market led the charge, recording its strongest September in 15 years. This led to a robust 8.1% gain for the quarter. European markets were more subdued, weighed down by political uncertainty and trade tensions, while Australian shares rose solidly with the Reserve Bank of Australia cutting interest rates.

The Reserve Bank of NZ (RBNZ) lowered the Official Cash Rate (OCR) to 3.0% in August. However, it was a weak GDP growth number that saw the RBNZ take decisive action in October, cutting the OCR by 0.50%, down to 2.5%. Further easing is expected. Despite the sluggish backdrop, the New Zealand share market delivered a healthy 5.5% gain, buoyed by lower rates and investor confidence.

All returns are in local currency terms unless stated.

Fund performance

	Average over past 5 years	Past year
Annual return (after deductions for charges and a PIR tax rate of 28%)	4.26%	7.71%
Annual return (after deductions for charges but before tax)	4.72%	8.87%
Market index annual return* (reflects no deduction for charges and tax)	4.40%	9.12%

*The market index comprises the benchmark index returns of each of the asset classes weighted by their benchmark asset allocations. Refer to the SIPO for more information on the market index for this Fund.

Key fund facts

Objective: The Moderate Fund aims to provide moderate returns over the short to medium term. It is suitable for investors who are prepared to accept some investment risk to potentially achieve a moderate return.

Description: The Moderate Fund invests mainly in income assets with a moderate allocation to growth assets.

Minimum recommended investment timeframe	5 years
Target allocation	40% growth assets / 60% income assets
Inception date	1 October 2007
Annual fund charges (estimated % of net asset value)	0.95%
Risk indicator	Potentially lower returns 1 2 3 4 5 6 7 Potentially higher returns Lower risk Higher risk

Investment managers

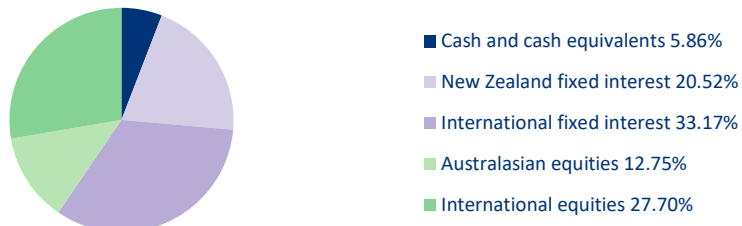
JBWere	Investment manager for the Scheme and International equities, Australasian equities, and Cash asset classes.
Harbour ASSET MANAGEMENT	Investment manager for the International fixed interest asset class.
amova Asset Management	Investment manager for the New Zealand fixed interest asset class.



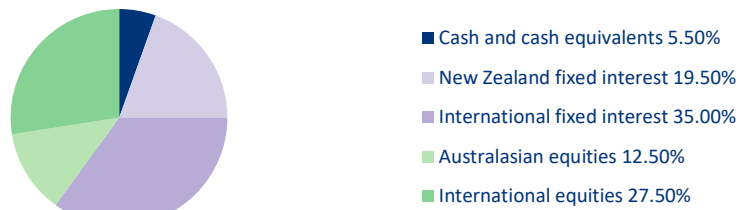
Signatory of:



Actual asset allocation



Target asset allocation



Top 10 investments

No	Asset name	% of fund net assets	Type	Country	Credit rating (If Applicable)
1	Hunter Global Fixed Interest Fund	33.17%	International fixed interest	NZ	
2	JBWere Premium Custody Call Account - AUD	3.45%	Cash and cash equivalents	AU	
3	Fisher & Paykel Healthcare Ltd	2.02%	Australasian equities	NZ	
4	Infratil Ltd	1.66%	Australasian equities	NZ	
5	New Zealand Government 2.75% 15/04/2037	1.29%	New Zealand fixed interest	NZ	AAA
6	Apple Inc	1.25%	International equities	US	
7	New Zealand Government 1.5% 15/05/2031	1.22%	New Zealand fixed interest	NZ	AAA
8	New Zealand Government 4.25% 15/05/2034	1.22%	New Zealand fixed interest	NZ	AAA
9	Nvidia Corp	1.21%	International equities	US	
10	New Zealand Government 1.75% 15/05/2041	1.17%	New Zealand fixed interest	NZ	AAA

The total value of the above investments as a percentage of the net asset value of the Moderate Fund is 47.66%.

Medical Funds Management Limited is the issuer of the MAS KiwiSaver Scheme. A copy of the PDS and the latest Quarterly Fund Update is available on our website at mas.co.nz/resources/documents-and-forms/

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