

# KiwiSaver Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 December 2019



## Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

The Fund returned 0.7% in December, with a strong 1-year return of 17.7%. Fund returns in 2019 were driven by a favourable starting point (after the share market falls of late 2018), economic weakness that was not as bad as feared and most significantly - meaningful falls in interest rates around the world. For the Balanced Fund this benefited share and bond portfolios with both contributing positively to the returns last year.

Active positioning around currency exposure contributed meaningfully to performance in December and the strong performance of global shares was the main contributor to the Fund's return in the month. The size of the return last year is unlikely to be repeated over the next 12 months. Broad and uniform market gains will be unlikely, with volatility in both directions becoming the norm. We are also likely to see greater rotation under the surface as the outlook for different types of companies changes.

Consequently, the Fund will be relying on active management and particularly stock selection within the underlying Milford funds to drive returns going forward. Even though returns from markets are expected to be lower, the backdrop for investing remains favourable with improving growth and low interest rates, therefore the Fund remains fully invested.

To view Milford's January 2020 Market and Economic Review please see [milfordasset.com/fact-sheet](http://milfordasset.com/fact-sheet).

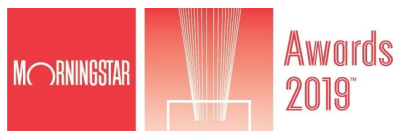
## External Ratings



Milford KiwiSaver Balanced Fund received a Morningstar Analyst Rating™ of 'Silver' on 22-04-2019



Consumer NZ People's Choice Award – KiwiSaver



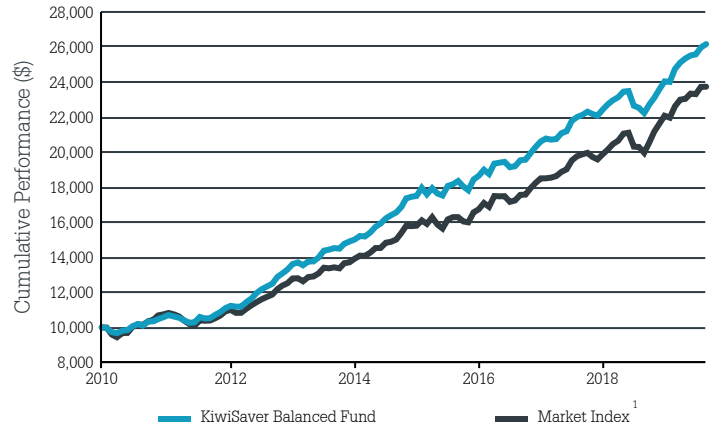
Morningstar Fund Manager of the Year  
- KiwiSaver Category, NZ



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

<b>Objective<sup>2</sup></b>	Capital growth over a minimum of five years
<b>Description</b>	Diversified fund that primarily invests in equities, with a significant allocation to fixed interest securities
<b>Target Allocation</b>	39% Income Assets / 61% Growth Assets
<b>Neutral FX Exposure</b>	13.0%
<b>Net Asset Value (NAV)</b>	\$397.5 M
<b>Buy-sell Spread</b>	None
<b>Inception Date</b>	1 April 2010
<b>Benchmark</b>	Not applicable
<b>Base Fund Fee<sup>3</sup></b>	1.07%
<b>Performance Fee</b>	The Fund may invest into related Milford funds that charge performance fees.
<b>Total Fund Fees<sup>4</sup></b>	1.09% (includes an est. performance fee)
<b>Risk Indicator</b>	<div style="display: flex; justify-content: space-between;"> <span>Lower risk</span> <span>Higher risk</span> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> <span>1</span> <span>2</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">3</span> <span>4</span> <span>5</span> <span>6</span> <span>7</span> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <span>Potentially lower returns</span> <span>Potentially higher returns</span> </div>

## Investment Performance after fees as at 31 December 2019<sup>5</sup>

Unit Price: \$2.5189

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford KiwiSaver Balanced Fund (Gross Of Tax)	0.74%	2.55%	17.70%	10.24%	9.59%	10.36%
After Tax 10.50%	0.62%	2.33%	17.15%	9.80%	9.07%	9.77%
After Tax 17.50%	0.54%	2.19%	16.79%	9.50%	8.73%	9.38%
After Tax 28.00%	0.42%	1.97%	16.25%	9.06%	8.22%	8.81%
Market Index <sup>1</sup>	0.05%	1.69%	18.90%	10.56%	9.60%	9.27%

### Top Equity Holdings

Holdings	% of Fund's NAV
Spark New Zealand	1.76%
a2 Milk Company	1.59%
Contact Energy	1.50%
Microsoft Corp	1.22%
Alphabet	1.13%
Visa	1.11%
Transurban Group	0.93%
HDFC Bank	0.91%
Mastercard	0.90%
Amazon	0.88%

### Current Asset Allocation

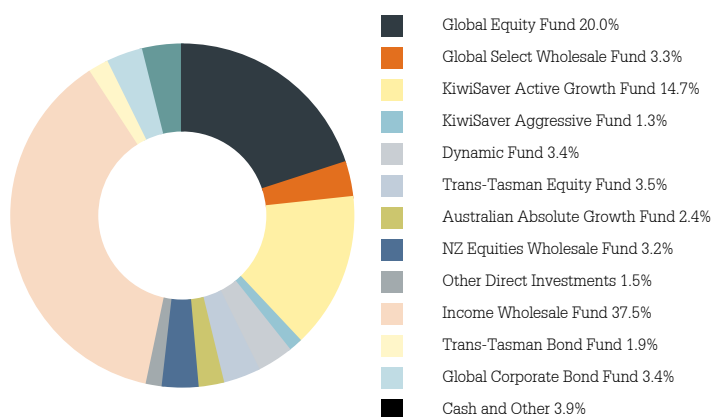
	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	6.32%	8.00%
New Zealand Fixed Interest	6.47%	8.00%
International Fixed Interest	24.05%	23.00%
New Zealand Equities	11.96%	15.00%
Australian Equities	10.20%	14.00%
International Equities	29.81%	26.00%
Listed Property	8.72%	6.00%
Other	2.47%	0%

### Top Fixed Interest Holdings

Holdings	% of Fund's NAV
QBE 6.75% 2044	0.66%
ASB Bank 5.25% 2026	0.44%
Rabobank 4.625% 2025	0.44%
JPMorgan 1.09% 2027	0.42%
Mirvac Group 3.625% 2027	0.41%
Lendlease 4.5% 2026	0.41%
Westpac 2.22% 2024	0.41%
Bank of America 3.458% 2025	0.39%
IAG Float 2045	0.37%
ANZ Bank Float 2024	0.36%

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

### Fund Allocation



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](http://milfordasset.com/fact-sheet-ks) for more information about the data published within this document.

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