

KiwiSaver Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 October 2020



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 0.3% in October, bringing the 1-year return to 6.1%. October saw a divergence in performance from different regions around the world, partly driven by rising COVID-19 cases in Europe. The Balanced Fund has been increasing investments into both Australia and NZ whilst remaining cautious on global shares. This was rewarded in October as domestic and Australian shares outperformed the US and particularly Europe (where the Fund has minimal exposure). Stock selection also helped performance.

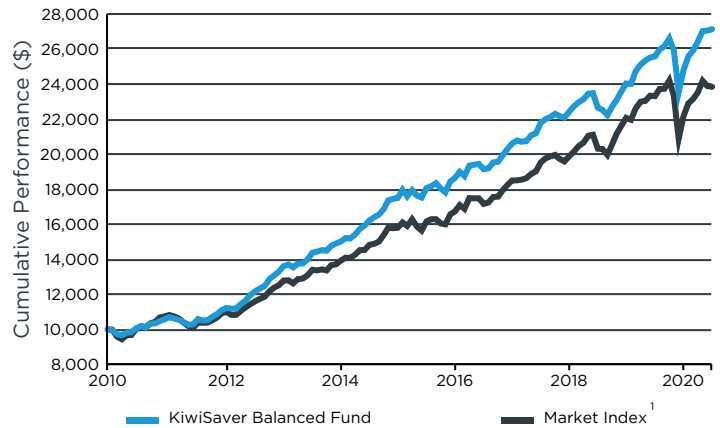
Fisher & Paykel Healthcare is the Fund's biggest holding at 2.4%, underlying Funds have been adding to the position recently and the stock was up over 7% in October as ongoing virus resurgence drives demand for its respirators. Contact Energy (the Fund's 3rd biggest holding) was up 11% owing to the improved outlook for the Tiwai smelter. Global investors have been focused on slowing economic growth, rising virus cases and risks around the US election. Policy makers have turned more supportive, with new European restrictions coming hand in hand with fiscal support. Central banks too continue to provide support, notably the Reserve Bank of Australia that is about to embark on their own quantitative easing program.

Once the noise of the US election is out of the way, we look to progress updates from vaccine makers to give us more confidence in the medium-term outlook. In the meantime, the Balanced Fund will retain a focus on safer, dividend yielding shares to enable a more fully invested position despite the ongoing uncertainty.

To view Milford's November 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

Objective²	Capital growth over a minimum of five years
Description	Diversified fund that primarily invests in equities, with a significant allocation to fixed interest securities
Target Allocation	39% Income Assets / 61% Growth Assets
Neutral FX Exposure	13.0%
Net Asset Value (NAV)	\$468.4 M
Buy-sell Spread	None - swing pricing applies (see PDS for details)
Inception Date	1 April 2010
Benchmark	Not applicable
Base Fund Fee³	1.05%
Performance Fee	The Fund may invest into related Milford funds that charge performance fees.
Total Fund Fees⁴	1.07% (includes an est. performance fee)



External Ratings



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

KiwiSaver Balanced Fund as at 31 October 2020

Investment Performance after fees as at 31 October 2020⁵

Unit Price: \$2.6078

	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)	0.28%	2.70%	6.07%	7.57%	8.46%	9.88%
After Tax 10.50%	0.23%	2.59%	5.81%	7.24%	8.05%	9.33%
After Tax 17.50%	0.20%	2.51%	5.63%	7.01%	7.78%	8.97%
After Tax 28.00%	0.15%	2.40%	5.37%	6.67%	7.38%	8.43%
Market Index ¹	-0.18%	1.39%	2.29%	6.88%	8.09%	8.55%

Top Equity Holdings

Holdings	% of Fund's NAV
Fisher & Paykel Healthcare	2.43%
Spark New Zealand	2.02%
Contact Energy	1.49%
Woolworths	1.13%
Amazon	1.09%
a2 Milk Company	1.09%
Microsoft Corp	1.07%
Alphabet	1.05%
Transurban Group	1.01%
Summerset Group Holdings	0.97%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	7.91%	8.00%
New Zealand Fixed Interest	5.38%	6.00%
International Fixed Interest	24.46%	25.00%
New Zealand Equities	14.22%	12.00%
Australian Equities	12.56%	13.00%
International Equities	27.88%	29.00%
Listed Property	7.13%	7.00%
Other	0.46%	0%

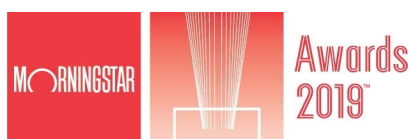
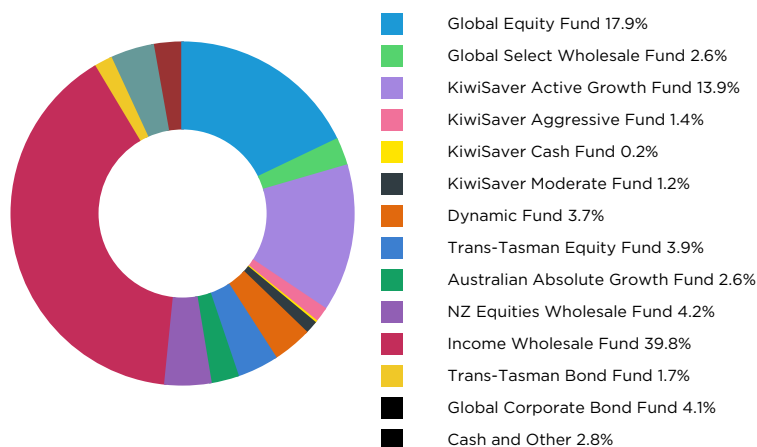
The actual cash held by the Fund is 5.11%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

Holdings	% of Fund's NAV
Scentre Group 5.125% 2080	1.10%
UBS Float 2025	0.66%
AusNet Float 2080	0.57%
NZLGFA 1.5% 2026	0.56%
Mirvac Group 3.625% 2027	0.44%
ASB Bank 5.25% 2026	0.41%
Kerry Group 0.625% 2029	0.36%
Westpac 4.695% 2026	0.35%
Vodafone Group 6.25% 2078	0.34%
JPMorgan 1.09% 2027	0.30%

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 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.