

KiwiSaver Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 August 2020



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 2.3% in August, bringing the 1-year return to 6.6%.

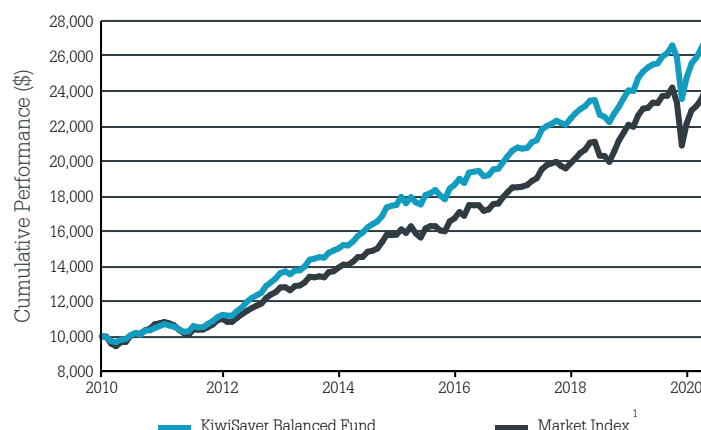
Large US technology stocks continue to perform well, and these companies have been a significant contribution to returns in the past few months. Considering this performance, exposure to US companies has been steadily reduced, although they remain a key part of the portfolio. Local share markets were muted at a headline level, but company results reported in August saw diverging fortunes for Australian businesses with small (higher growth) company shares handsomely outperforming large ones - a benefit to the Fund via the Dynamic Fund. In NZ we saw a resurgence in companies that benefit from a re-opening of the economy, for example Summerset (a key beneficiary of a strong housing market) and Vista Group (recovering as global cinema audiences rebound). Although global government bond markets fell in August, the Fund's increased exposure to corporate bonds delivered positive returns for the income portfolio.

Looking ahead, a key question is the strength and sustainability of the global economic recovery and finding attractively valued companies that may benefit from that. This is a change from the past few months where companies that benefit from social distancing and working from home have been standout winners. The Fund has been increasing its investments in shares, but these are relatively defensive in nature - with interest rates low any company with an attractive and sustainable dividend yield should be more sought after going forward.

To view Milford's September 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)	\$446.0 M
Buy-sell Spread	None
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)
Risk Indicator	<div> <div>Lower risk</div> <div>1 2 3 4 5 6 7</div> <div>Potentially lower returns Potentially higher returns</div> </div>

External Ratings



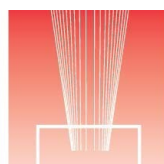
Milford KiwiSaver Balanced Fund received a Morningstar Analyst Rating™ of 'Silver' on 22-04-2019



Consumer NZ People's Choice Award – KiwiSaver



Morningstar Fund Manager of the Year
- KiwiSaver Category, NZ



Awards
2019™



Zenith FundSource Fund Manager of the Year

Investment Performance after fees as at 31 August 2020⁵

Unit Price: \$2.5988

	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)	2.30%	5.67%	6.61%	8.62%	8.90%	10.01%
After Tax 10.50%	2.32%	5.62%	6.37%	8.31%	8.49%	9.46%
After Tax 17.50%	2.34%	5.59%	6.21%	8.10%	8.21%	9.10%
After Tax 28.00%	2.36%	5.54%	5.97%	7.79%	7.80%	8.56%
Market Index ¹	2.84%	5.65%	4.96%	8.61%	8.79%	8.85%

Top Equity Holdings

Holdings	% of Fund's NAV
Spark New Zealand	1.91%
Fisher & Paykel Healthcare	1.77%
a2 Milk Company	1.28%
Contact Energy	1.25%
Alphabet	1.23%
Apple	1.22%
Amazon	1.21%
Microsoft Corp	1.20%
Woolworths	1.10%
Transurban Group	1.03%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash [#]	16.15%	8.00%
New Zealand Fixed Interest	5.93%	6.00%
International Fixed Interest	23.82%	25.00%
New Zealand Equities	12.50%	12.00%
Australian Equities	11.82%	13.00%
International Equities	21.76%	29.00%
Listed Property	7.76%	7.00%
Other	0.26%	0%

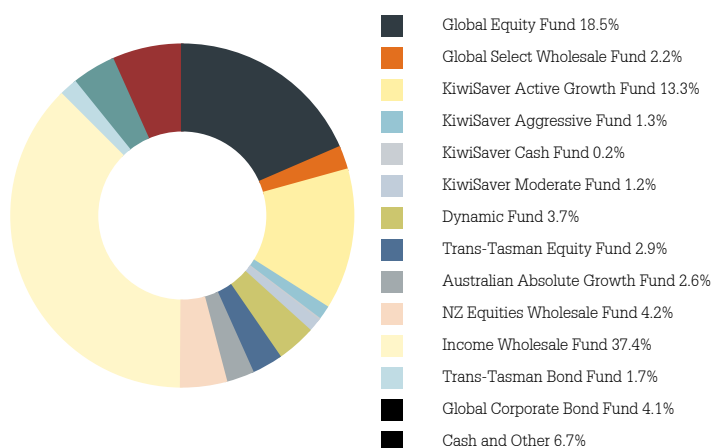
[#] The actual cash held by the Fund is 6.20%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

Holdings	% of Fund's NAV
NZLGFA 1.5% 2026	0.58%
ASB Bank 5.25% 2026	0.45%
Mirvac Group 3.625% 2027	0.44%
Lendlease 4.5% 2026	0.42%
Kerry Group 0.625% 2029	0.36%
Westpac 4.695% 2026	0.35%
Vodafone Group 6.25% 2078	0.35%
ASB Bank 1.83% 2024	0.34%
Nordea Bank 0.5% 2027	0.33%
UBS Float 2025	0.33%

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.

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