

KiwiSaver Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 November 2020



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 4.4% in November, bringing one year returns to 9.0%. November removed two key issues that had kept us from investing more aggressively. The resolution of the US election and news of an effective COVID-19 vaccine now clears the path to think about how economies and profits might fare going into next year.

We added to investments over the course of the month to capture this upside, helping deliver the strong positive returns this month. A vaccine sets the stage for the global economy to return to normal sometime next year. The outlook for retailers, airlines and tourism stocks just got a lot brighter. We had considered this outcome ahead of the vaccine news and began investing in 'reopening' beneficiaries such as Spanish airport operator Aena (up 18% in November).

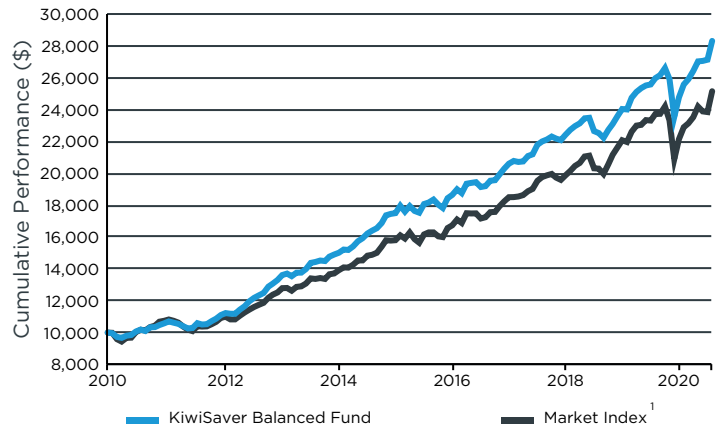
Post the vaccine news, we continue to rotate the fund to geographies and companies that will benefit. With a brighter profit outlook, the fund has been increasing exposure to shares over bonds and cash. Further allocations into Australian shares have been made. Although the Australian market has been a laggard this year, we like exposure to cyclical companies such as banks and retail REIT's and there are plenty of high-quality stocks of this type to choose from in that market.

With high valuations and already low interest rates, the longer-term outlook for shares in general is lacklustre. However, we think careful selection of companies and markets will help deliver reasonable returns on investment going forward.

To view Milford's December 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) | \$501.1 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 30 November 2020

Investment Performance after fees as at 30 November 2020⁵

Unit Price: \$2.7211

| | 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) | 4.35% | 4.76% | 9.00% | 8.77% | 9.27% | 10.24% |
| After Tax 10.50% | 4.23% | 4.50% | 8.64% | 8.40% | 8.83% | 9.68% |
| After Tax 17.50% | 4.14% | 4.32% | 8.39% | 8.15% | 8.54% | 9.31% |
| After Tax 28.00% | 4.02% | 4.06% | 8.03% | 7.77% | 8.10% | 8.76% |
| Market Index ¹ | 5.49% | 4.00% | 6.03% | 8.37% | 9.07% | 9.03% |

Top Equity Holdings

| Holdings | % of Fund's NAV |
|----------------------------|-----------------|
| Fisher & Paykel Healthcare | 2.32% |
| Spark New Zealand | 1.88% |
| Contact Energy | 1.53% |
| a2 Milk Company | 1.22% |
| Alphabet | 1.08% |
| Microsoft Corp | 0.99% |
| Woolworths | 0.94% |
| Telstra Corp | 0.93% |
| Amazon | 0.92% |
| Mainfreight | 0.91% |

Current Asset Allocation

| | Actual Investment Mix | Neutral Investment Mix |
|------------------------------|-----------------------|------------------------|
| Effective Cash # | 9.25% | 8.00% |
| New Zealand Fixed Interest | 4.92% | 6.00% |
| International Fixed Interest | 22.99% | 25.00% |
| New Zealand Equities | 14.25% | 12.00% |
| Australian Equities | 12.51% | 13.00% |
| International Equities | 27.39% | 29.00% |
| Listed Property | 7.11% | 7.00% |
| Other | 1.58% | 0% |

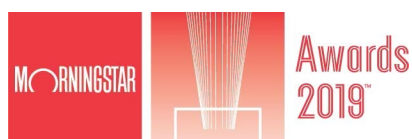
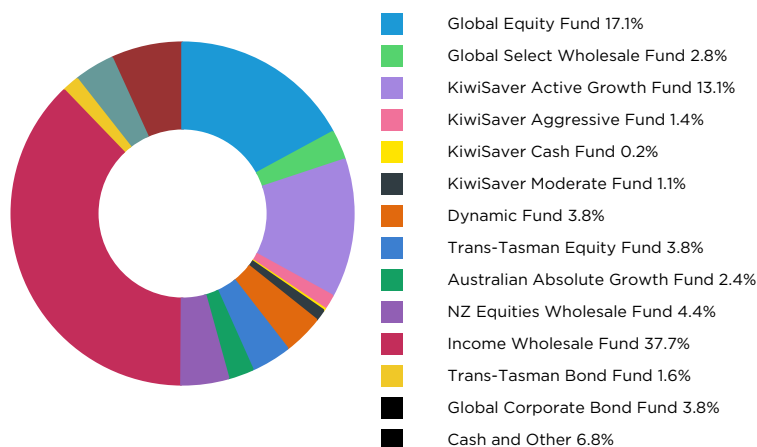
The actual cash held by the Fund is 5.56%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

| Holdings | % of Fund's NAV |
|---------------------------|-----------------|
| Scentre Group 5.125% 2080 | 1.18% |
| AusNet Float 2080 | 0.54% |
| ASB Bank 5.25% 2026 | 0.43% |
| NAB Float 18/11/2030 | 0.42% |
| Mirvac Group 3.625% 2027 | 0.40% |
| Westpac 4.695% 2026 | 0.33% |
| Kerry Group 0.625% 2029 | 0.33% |
| Vodafone Group 6.25% 2078 | 0.31% |
| Ball 1.5% 2027 | 0.28% |
| JPMorgan 1.09% 2027 | 0.28% |

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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