

# KiwiSaver Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 May 2019



## Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

The Fund was down by 0.1% in May with 1-year returns of 5.6%. Global shares were the biggest drag as a reignited trade war caused investors to take profits on the strong year to date rally in shares. In contrast, Australia and New Zealand share markets performed strongly and the Fund's heavy exposure to these assets helped cushion the fall from global shares.

In Australia, the surprise win by the incumbent government reduced the risk of unfriendly business and housing policies and the share market responded well. Milford's Australian funds performed strongly in the month, notably the Dynamic Fund which was up 2.8%. Fears over the slowing pace of global growth has driven investors to seek the safe haven of government bonds, sending market-based interest rates lower. This benefited the Fund's exposure to bonds, as well as boosting the performance of high dividend yielding shares in the month.

Although we remain cautious on the outlook, the valuations of global shares look more appealing than those of local Australian and New Zealand companies and we recognise the strong outperformance of Australasian shares recently. Whilst the outlook is increasingly uncertain, underlying global economic growth remains robust and the trade war uncertainty can be removed as quickly as it was created. Therefore, the Fund is selectively adding to global shares at relatively attractive levels.

To view Milford's June 2019 Market and Economic Review please see [milfordasset.com/fact-sheet-ks](http://milfordasset.com/fact-sheet-ks).

## External Ratings



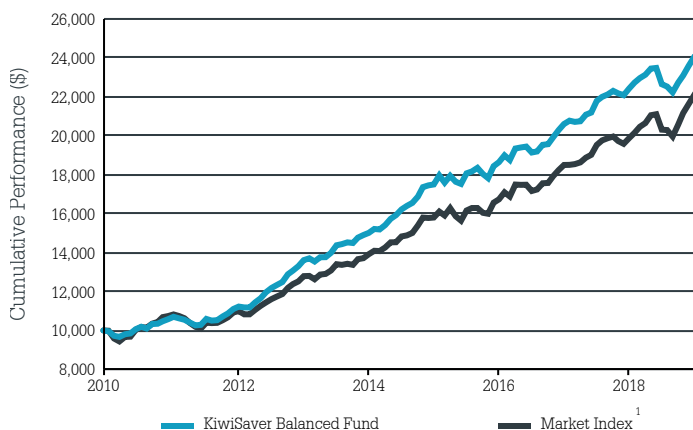
Milford KiwiSaver Balanced Fund received a Morningstar Analyst Rating™ of 'Silver' on 22-04-2019



Milford KiwiSaver Balanced Fund received a FundSource Rating of 'AA' in April 2019

## Cumulative Fund Performance

(after fees and before tax)



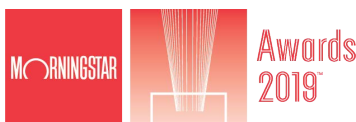
Assumes the growth of \$10,000 invested at the Fund's inception date.

## 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>	12.50%
<b>Net Asset Value (NAV)</b>	\$289.7 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>	1.13%
<b>Performance Fee</b>	The Fund may invest into related Milford funds that charge performance fees.
<b>Total Fund Fees<sup>4</sup></b>	1.25% (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="text-align: center;"> </div> <div style="display: flex; justify-content: space-between;"> <span>Potentially lower returns</span> <span>Potentially higher returns</span> </div>



Consumer NZ People's Choice Award – KiwiSaver



Morningstar Fund Manager of the Year  
– KiwiSaver Category, NZ



FundSource 2018 KiwiSaver Manager of the Year

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

Unit Price: \$2.3147

	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)	-0.11%	3.96%	5.63%	8.13%	9.56%	10.02%
After Tax 10.50%	-0.08%	3.90%	5.40%	7.70%	9.03%	9.44%
After Tax 17.50%	-0.07%	3.87%	5.26%	7.41%	8.69%	9.05%
After Tax 28.00%	-0.04%	3.81%	5.04%	6.98%	8.17%	8.49%
Market Index <sup>1</sup>	-0.50%	3.79%	9.01%	8.71%	9.28%	8.96%

## Top Equity Holdings

Holdings	% of Fund's NAV
Contact Energy	2.26%
a2 Milk Company	1.73%
Spark New Zealand	1.54%
iShares MSCI EAFE Min Vol ETF	1.39%
Meridian Energy	1.05%
Wellington Strategic Euro	0.92%
Vontobel Sust. EM Leaders	0.91%
Wellington Global Health Care	0.88%
Fisher & Paykel Healthcare	0.81%
Kiwi Property Group	0.80%

## Current Asset Allocation

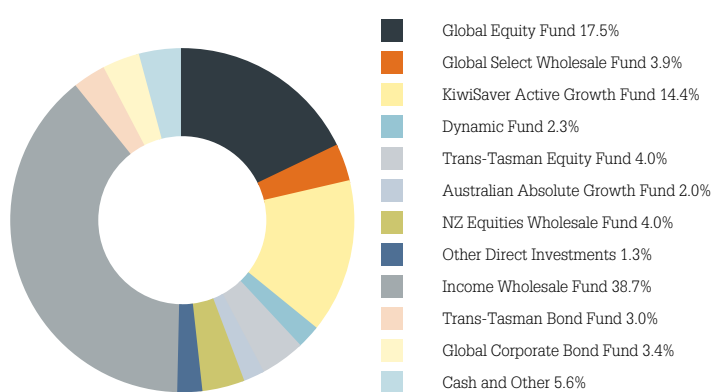
	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	12.16%	8.00%
New Zealand Fixed Interest	9.09%	8.00%
International Fixed Interest	24.62%	23.00%
New Zealand Equities	13.56%	15.00%
Australian Equities	7.73%	15.00%
International Equities	23.32%	25.00%
Listed Property	9.52%	6.00%
Other	0.00%	0.00%

## Top Fixed Interest Holdings

Holdings	% of Fund's NAV
ASB Bank 5.25% 2026	0.78%
OBE 6.75% 2044	0.77%
Westpac 4.695% 2026	0.59%
Rabobank 4.625% 2025	0.54%
Mirvac Group 3.625% 2027	0.54%
ASB Bank Float 2022	0.53%
NAB Float 2029	0.52%
ANZ 2.91% 2019	0.51%
IAG Float 2045	0.49%
ANZ Bank 3.03% 2024	0.46%

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.

Level 28, 48 Shortland Street, Auckland  
PO Box 960, Shortland Street, Auckland 1140  
Free phone 0800 662 346  
[milfordasset.com](http://milfordasset.com)

