

# KiwiSaver Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 June 2019



## Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

The Fund returned 3.1% in June, taking the 1-year return to 7.8%. Looking around the world it is easy to point at slowing economic growth and rising uncertainty, primarily down to the ongoing trade war but also related to events such as Brexit.

Uncertainty is causing businesses to shelve spending plans and this is impacting demand for industrial goods. Central banks around the world are aware of this and are reducing interest rates to prevent spill over to the consumer via job cuts. The unintended consequence of lower interest rates is that they increase the attractiveness of corporate bonds and dividend paying shares for investors looking for a return on their capital.

In June we saw strong performance from both shares and corporate bonds across the world, reflecting this phenomenon. This boosted the Fund's returns as it is fully invested across growth and income assets and all asset types in the Fund delivered positive returns. Stock selection was also strong in the underlying funds, in particular maintaining exposure to the high dividend yield parts of global markets.

Looking ahead, a truce on the trade war is positive but we will learn of the damage to company earnings when US companies report quarterly profits next month. After a strong six months of returns the pace should be slower ahead and the Fund retains a slightly cautious investment mix.

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

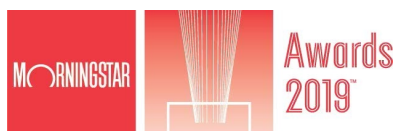
## External Ratings



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



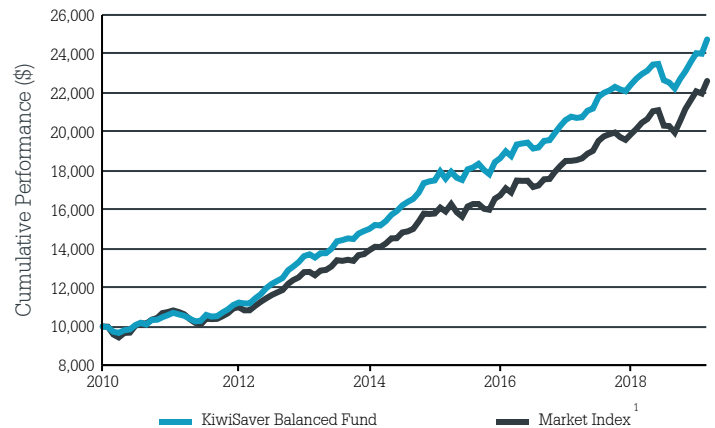
Consumer NZ People's Choice Award – KiwiSaver

Morningstar Fund Manager of the Year  
- KiwiSaver Category, NZ

FundSource 2018 KiwiSaver Manager of the Year

## 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>	\$309.8 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;"> <span>1</span> <span>2</span> <span>3</span> <span style="color: blue;">4</span> <span>5</span> <span>6</span> <span>7</span> </div> <div style="display: flex; justify-content: space-between;"> <span>Potentially lower returns</span> <span>Potentially higher returns</span> </div>

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## Investment Performance after fees as at 30 June 2019<sup>5</sup>

Unit Price: \$2.3847

	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)	3.05%	4.88%	7.76%	9.68%	10.25%	10.29%
After Tax 10.50%	2.95%	4.79%	7.38%	9.22%	9.71%	9.70%
After Tax 17.50%	2.89%	4.72%	7.14%	8.91%	9.35%	9.31%
After Tax 28.00%	2.79%	4.63%	6.77%	8.45%	8.82%	8.73%
Market Index <sup>1</sup>	2.93%	4.52%	10.49%	10.23%	9.94%	9.22%

### Top Equity Holdings

Holdings	% of Fund's NAV
Contact Energy	2.22%
a2 Milk Company	1.83%
Spark New Zealand	1.64%
Meridian Energy	1.12%
Wellington Strategic Euro	0.89%
Vontobel Sust. EM Leaders	0.87%
Fisher & Paykel Healthcare	0.87%
Kiwi Property Group	0.86%
Wellington Global Health Care	0.85%
Mainfreight	0.73%

### Current Asset Allocation

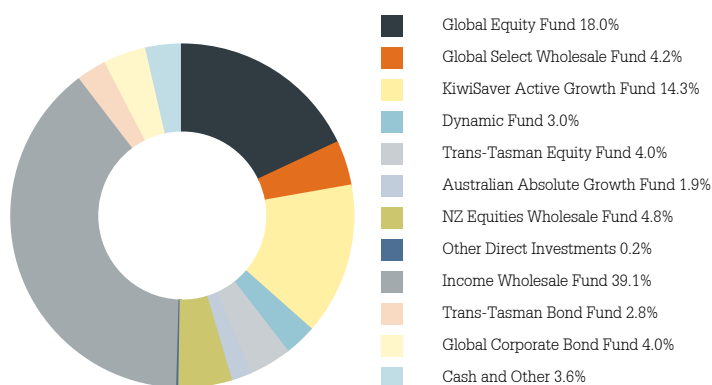
	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	9.45%	8.00%
New Zealand Fixed Interest	8.06%	8.00%
International Fixed Interest	24.90%	23.00%
New Zealand Equities	14.50%	15.00%
Australian Equities	7.72%	15.00%
International Equities	24.28%	25.00%
Listed Property	10.49%	6.00%
Other	0.60%	0%

### Top Fixed Interest Holdings

Holdings	% of Fund's NAV
ASB Bank 5.25% 2026	0.74%
OBE 6.75% 2044	0.71%
Westpac 4.695% 2026	0.57%
Rabobank 4.625% 2025	0.54%
Mirvac Group 3.625% 2027	0.51%
NAB Float 2029	0.50%
JPMorgan 5.15% 2023	0.50%
IAG Float 2045	0.46%
ASB Bank Float 2022	0.44%
Westpac 5% 2027	0.44%

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)

