

KiwiSaver Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 September 2019



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 0.7% in September, bringing the 1-year return to 8.6%. It was a month to ignore the headlines as share markets put in a flat to positive return despite the barrage of news flow on trade, Trump impeachment, Brexit and oil price spikes.

Market interest rates were higher during the month as global government bonds sold off after running too far in August. Despite this, the bond holdings delivered a largely flat return for the month as we managed our exposures around this move. The mild increase in market interest rates was not enough to prevent many share markets from making modest gains. These were largely uniform across the regions.

Looking ahead, the Fund remains fully invested as the backdrop of low growth coupled with low interest rates remains reasonably favourable for investing. Returns are less likely to come from broad gains in asset prices going forward. Instead, selective positioning in stocks and sectors will likely yield better results, something the Fund is set up to deliver with investments into Milford's range of funds. Year to date returns for bonds and shares have been strong. Going forward this pace of returns is likely to moderate, but through active management and security selection we should be able to deliver a reasonable return on investment.

To view Milford's October 2019 Market and Economic Review please see milfordasset.com/fact-sheet.

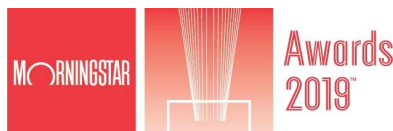
External Ratings



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



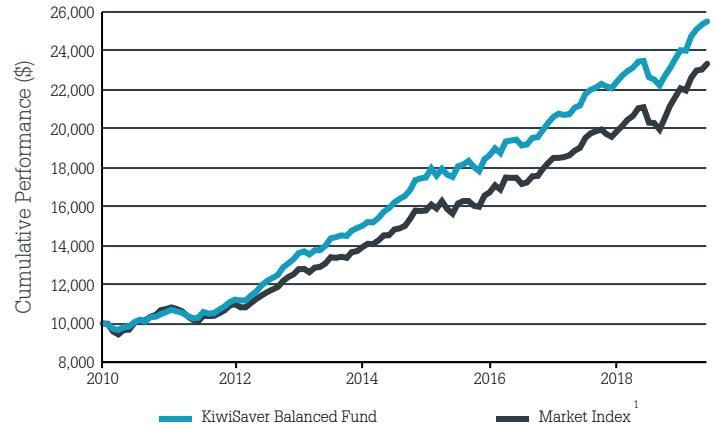
Consumer NZ People's Choice Award – KiwiSaver

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

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)	\$360.8 M
Buy-sell Spread	None
Inception Date	1 April 2010
Benchmark	Not applicable
Base Fund Fee³	1.07%
Performance Fee	The Fund may invest into related Milford funds that charge performance fees.
Total Fund Fees⁴	1.09% (includes an est. performance fee)
Risk Indicator	<div style="display: flex; justify-content: space-between;"> Lower risk Higher risk </div> <div style="text-align: center;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between;"> Potentially lower returns Potentially higher returns </div>

Investment Performance after fees as at 30 September 2019⁵

Unit Price: \$2.4571

	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)	0.65%	3.12%	8.65%	9.49%	9.89%	10.36%
After Tax 10.50%	0.60%	3.07%	8.31%	9.07%	9.38%	9.78%
After Tax 17.50%	0.57%	3.03%	8.08%	8.80%	9.05%	9.39%
After Tax 28.00%	0.53%	2.98%	7.75%	8.38%	8.55%	8.82%
Market Index ¹	1.29%	3.23%	10.58%	10.10%	9.94%	9.33%

Top Equity Holdings

Holdings	% of Fund's NAV
Contact Energy	2.14%
Spark New Zealand	1.82%
a2 Milk Company	1.58%
Meridian Energy	1.21%
Financial Select SPDR	1.18%
Transurban Group	0.99%
Wellington Strategic Euro	0.89%
Vontobel Sust. EM Leaders	0.87%
Wellington Global Health Care	0.84%
Mirvac Group	0.79%

Current Asset Allocation

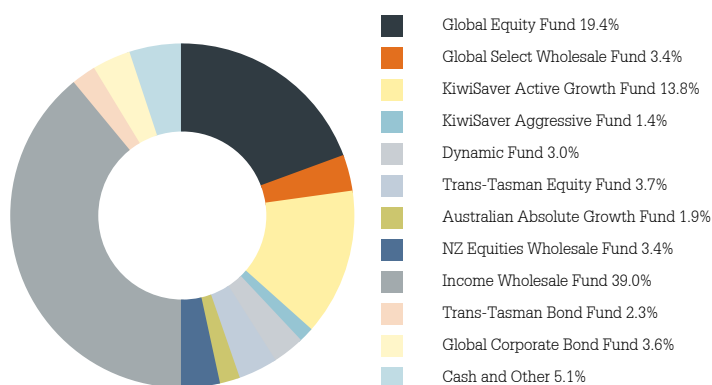
	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	12.73%	8.00%
New Zealand Fixed Interest	6.91%	8.00%
International Fixed Interest	25.30%	23.00%
New Zealand Equities	12.71%	15.00%
Australian Equities	8.18%	14.00%
International Equities	25.24%	26.00%
Listed Property	8.93%	6.00%
Other	0.00%	0%

Top Fixed Interest Holdings

Holdings	% of Fund's NAV
QBE 6.75% 2044	0.84%
Rabobank 4.625% 2025	0.50%
JPMorgan 1.09% 2027	0.50%
Mirvac Group 3.625% 2027	0.50%
ASB Bank 5.25% 2026	0.50%
Bank of America 3.458% 2025	0.47%
Westpac 4.695% 2026	0.44%
IAG Float 2045	0.43%
JPMorgan 5.15% 2023	0.41%
Westpac 2.22% 2024	0.40%

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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