

# KiwiSaver Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 October 2019



## Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

The Fund returned 0.3% in October, bringing the 1-year return to 12.9%. The diversification of investments within the Fund was key in delivering a positive return this month.

Local NZ and Australian markets underperformed, with a notable fall in the electricity companies after the future viability of the Tiwai Point aluminium smelter was called in to question by its owner Rio Tinto. Australian shares fell as the banking regulator announced measures to strengthen protection for depositors - impacting bank profitability and causing their share prices to fall. Both of these events impacted performance during the month but were more than offset by strong performance in investments elsewhere.

Global shares had a good month as a US-China trade deal looks possible and in Europe a worst case 'no deal' outcome to Brexit looks less likely. Corporate bonds also performed well, outperforming government bonds as investors continue to look for higher yielding assets in a low interest rate environment.

Finally, a reduced exposure to foreign currencies helped during the month as the NZ dollar outperformed. It is unusual for all assets to move together in the same direction, particularly month to month, so the Fund's diversification helps to cushion volatility within the Fund. We expect future returns to remain positive, albeit at a slower pace than in the past year.

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

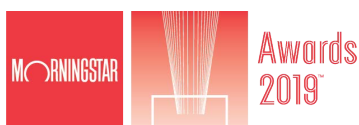
## External Ratings



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



Consumer NZ People's Choice Award – KiwiSaver



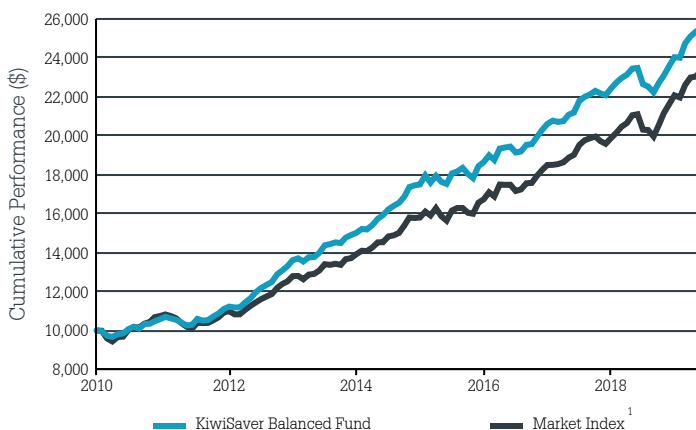
Morningstar Fund Manager of the Year  
– KiwiSaver Category, NZ



Zenith FundSource - Fund Manager of the Year 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>	13.0%
<b>Net Asset Value (NAV)</b>	\$373.6 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>	1.07%
<b>Performance Fee</b>	The Fund may invest into related Milford funds that charge performance fees.
<b>Total Fund Fees<sup>4</sup></b>	1.09% (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>

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

Unit Price: \$2.4631

	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)	0.25%	1.87%	12.93%	10.15%	9.54%	10.29%
After Tax 10.50%	0.19%	1.77%	12.54%	9.72%	9.03%	9.71%
After Tax 17.50%	0.14%	1.70%	12.28%	9.43%	8.69%	9.32%
After Tax 28.00%	0.08%	1.59%	11.88%	8.99%	8.18%	8.75%
Market Index <sup>1</sup>	-0.12%	1.38%	14.75%	10.74%	9.47%	9.23%

### Top Equity Holdings

Holdings	% of Fund's NAV
Spark New Zealand	1.72%
Contact Energy	1.56%
a2 Milk Company	1.50%
Microsoft Corp	1.01%
Transurban Group	1.01%
Alphabet	1.00%
Mirvac Group	0.91%
Visa	0.87%
Financial Select SPDR	0.83%
HDFC Bank	0.83%

### Current Asset Allocation

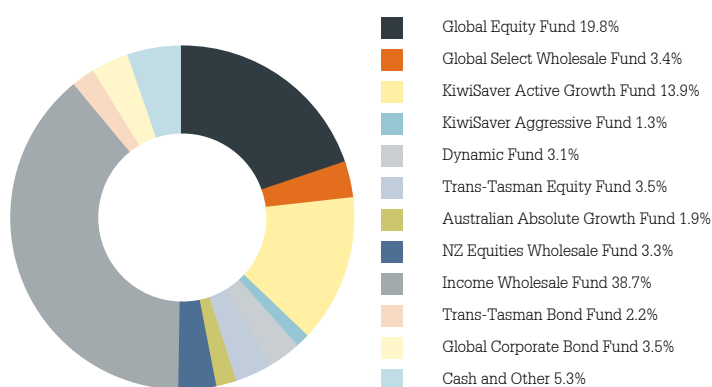
	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	13.41%	8.00%
New Zealand Fixed Interest	6.73%	8.00%
International Fixed Interest	24.88%	23.00%
New Zealand Equities	11.28%	15.00%
Australian Equities	7.78%	14.00%
International Equities	26.82%	26.00%
Listed Property	9.10%	6.00%
Other	0.00%	0%

### Top Fixed Interest Holdings

Holdings	% of Fund's NAV
QBE 6.75% 2044	0.76%
Rabobank 4.625% 2025	0.50%
JPMorgan 1.09% 2027	0.48%
ASB Bank 5.25% 2026	0.48%
Mirvac Group 3.625% 2027	0.47%
Bank of America 3.458% 2025	0.45%
Westpac 4.695% 2026	0.43%
IAG Float 2045	0.42%
JPMorgan 5.15% 2023	0.39%
JPMorgan 5% 2024	0.38%

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.

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