

# KiwiSaver Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 January 2020



## Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

The Fund returned 1.7% in January bringing the 1-year return to 16.8%. Given markets faced the coronavirus outbreak in January, the final return for the month is reasonably healthy. Global share markets started the year well and in the middle of the month we reduced some exposure after recognising that market sentiment was becoming extended.

The coronavirus outbreak blindsided investors and financial markets. The impact so far has been largely seen in commodity prices (e.g. oil falling) and Asian share markets where we have little exposure. Arguably the biggest move has been by investors seeking safety in government bonds, driving market interest rates back to multi-year lows (interest rates move inversely with bond prices). This supported performance in the Fund via our bond holdings. Our key share market exposures of NZ, Australia and the US also fared particularly well in the month, global share returns were also aided by a falling NZ dollar.

Previous experience tells us that these viral outbreaks tend to be acute but short lived in their impact on economies and markets. We still see a favourable medium-term backdrop of low interest rates and low but positive economic growth.

To view Milford's February 2020 Market and Economic Review please see [milfordasset.com/fact-sheet](http://milfordasset.com/fact-sheet).

## External Ratings



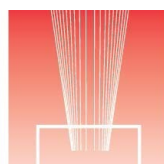
Milford KiwiSaver Balanced Fund received a Morningstar Analyst Rating™ of 'Silver' on 22-04-2019



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



Consumer NZ People's Choice Award – KiwiSaver



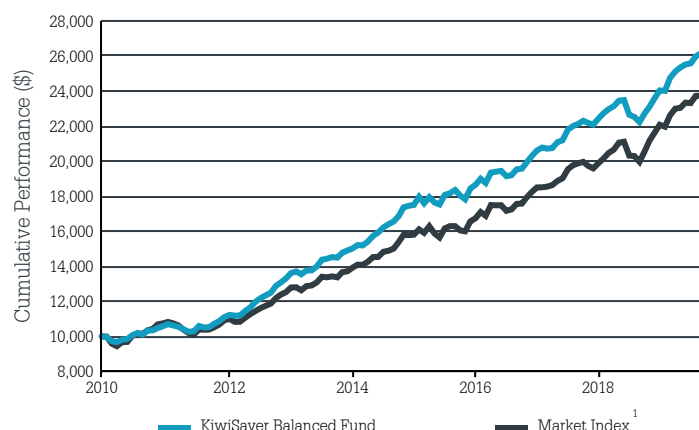
Morningstar Fund Manager of the Year  
- KiwiSaver Category, NZ



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

Objective <sup>2</sup>	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)	\$410.5 M
Buy-sell Spread	None
Inception Date	1 April 2010
Benchmark	Not applicable
Base Fund Fee <sup>3</sup>	1.07%
Performance Fee	The Fund may invest into related Milford funds that charge performance fees.
Total Fund Fees <sup>4</sup>	1.09% (includes an est. performance fee)
Risk Indicator	<div>Lower risk<div>1234567</div>Higher risk</div> <div>Potentially lower returnsPotentially higher returns</div>

Investment Performance after fees as at 31 January 2020<sup>5</sup>

Unit Price: \$2.5608

	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)	1.67%	4.00%	17.05%	10.78%	9.53%	10.46%
After Tax 10.50%	1.71%	3.89%	16.61%	10.37%	9.03%	9.87%
After Tax 17.50%	1.74%	3.82%	16.32%	10.09%	8.70%	9.49%
After Tax 28.00%	1.78%	3.71%	15.89%	9.68%	8.21%	8.92%
Market Index <sup>1</sup>	1.96%	3.81%	17.64%	11.24%	9.46%	9.40%

## Top Equity Holdings

Holdings	% of Fund's NAV
Spark New Zealand	1.61%
Contact Energy	1.57%
a2 Milk Company	1.57%
Microsoft Corp	1.27%
Alphabet	1.17%
Visa	1.06%
Amazon	0.95%
Mastercard	0.93%
Transurban Group	0.91%
Fisher & Paykel Healthcare	0.89%

## Current Asset Allocation

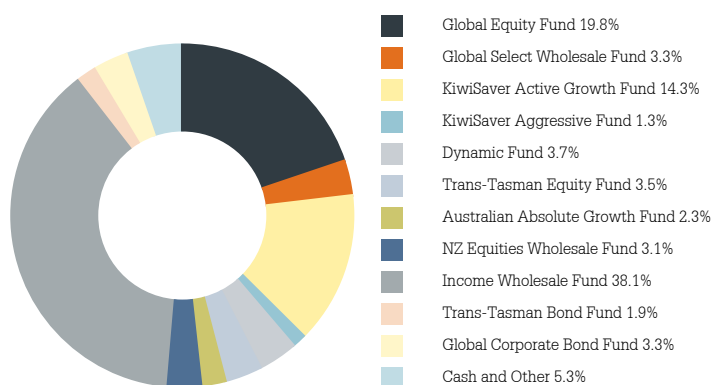
	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	11.06%	8.00%
New Zealand Fixed Interest	6.51%	8.00%
International Fixed Interest	24.69%	23.00%
New Zealand Equities	11.50%	15.00%
Australian Equities	7.62%	14.00%
International Equities	29.60%	26.00%
Listed Property	8.83%	6.00%
Other	0.19%	0%

## Top Fixed Interest Holdings

Holdings	% of Fund's NAV
QBE 6.75% 2044	0.68%
Rabobank 4.625% 2025	0.45%
Mirvac Group 3.625% 2027	0.44%
ASB Bank 5.25% 2026	0.44%
JPMorgan 1.09% 2027	0.43%
Lendlease 4.5% 2026	0.43%
Bank of America 3.458% 2025	0.42%
IAG Float 2045	0.37%
ASB Bank 1.83% 2024	0.35%
Westpac 5% 2027	0.34%

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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