

# KiwiSaver Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 March 2020



## Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

Fund performance was impacted significantly in March by the COVID-19 outbreak and associated market volatility. Increasing risks from the outbreak and strong markets allowed the Fund to reduce exposures in mid-February. At the beginning of March, exposure to company shares and bonds was 21% lower than a month prior. This defensive stance helped cushion the Fund from the volatility in March. Disappointingly, the Fund still lost 9.1% in the month, leaving 1-year returns at -0.2%.

In the last month investors have been assessing the outbreak, its economic impact and responses by governments in a very short period of time. This has resulted in rapid declines in the prices of all assets. The Fund's exposure to listed property was particularly hard hit given that many commercial and retail buildings are closed to tenant entry. Corporate bonds also fell sharply as many investors fear companies will not be able to repay their debt. The outlook for property remains uncertain and consequently we continued to reduce this exposure over the month. On the other hand, good quality corporate bonds have offered some attractive opportunities given the high levels of government support around the world.

The very uncertain outlook warrants a continued cautious stance by the Fund with share exposure remaining significantly below neutral. Uncertainty over the duration of economic disruption remains the key concern for us as investors. Looking ahead, the biggest opportunities for the Fund will be in understanding which companies are best placed to weather the outbreak and investing in these at attractive prices, something the Fund is well placed to take advantage of.

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

## External Ratings



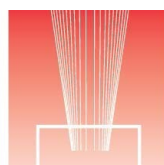
Milford KiwiSaver Balanced Fund received a Morningstar Analyst Rating™ of 'Silver' on 22-04-2019



Consumer NZ People's Choice Award – KiwiSaver



Morningstar Fund Manager of the Year  
- KiwiSaver Category, NZ



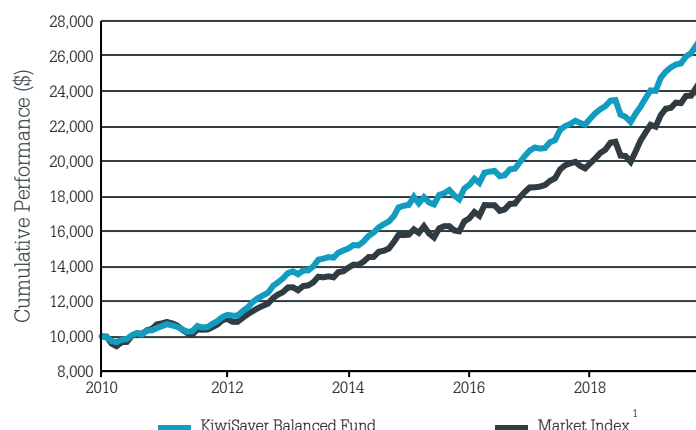
Awards  
2019



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>	13.0%
<b>Net Asset Value (NAV)</b>	\$356.7 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>	1.07%
<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> <div>Lower risk</div> <div>Higher risk</div> <div>1 2 3 4 5 6 7</div> <div>Potentially lower returns Potentially higher returns</div> </div>

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

Unit Price: \$2.2659

	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)	-9.13%	-9.99%	-0.17%	5.09%	6.17%	8.94%
After Tax 10.50%	-9.07%	-9.91%	-0.43%	4.75%	5.73%	8.38%
After Tax 17.50%	-9.03%	-9.86%	-0.60%	4.52%	5.44%	8.01%
After Tax 28.00%	-8.97%	-9.78%	-0.86%	4.18%	5.00%	7.47%
Market Index <sup>1</sup>	-10.45%	-11.97%	-3.41%	4.63%	5.78%	7.65%

## Top Equity Holdings

Holdings	% of Fund's NAV
a2 Milk Company	1.85%
Spark New Zealand	1.65%
Microsoft Corp	1.46%
Contact Energy	1.35%
Alphabet	1.27%
Fisher & Paykel Healthcare	1.23%
Amazon	1.15%
Apple	1.07%
American Waters Works	1.03%
Alibaba Group	0.96%

## Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash <sup>#</sup>	36.35%	8.00%
New Zealand Fixed Interest	7.32%	8.00%
International Fixed Interest	15.61%	23.00%
New Zealand Equities	9.53%	15.00%
Australian Equities	3.12%	14.00%
International Equities	23.53%	26.00%
Listed Property	4.54%	6.00%
Other	0.00%	0%

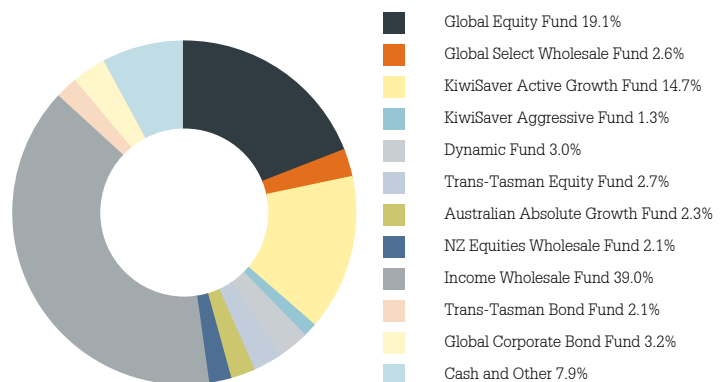
<sup>#</sup> The actual cash held by the Fund is 17.76%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

## Top Fixed Interest Holdings

Holdings	% of Fund's NAV
Lendlease 4.5% 2026	0.75%
United States Treasury 0% 2020	0.66%
Mirvac Group 3.625% 2027	0.58%
Bank of America 3.458% 2025	0.55%
JPMorgan 1.09% 2027	0.53%
ASB Bank 5.25% 2026	0.52%
Rabobank 4.625% 2025	0.43%
Westpac 4.695% 2026	0.41%
Kerry Group 0.625% 2029	0.39%
ASB Bank 1.83% 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.

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

