

KiwiSaver Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 June 2020



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 1.3% in June bringing the 1-year return to 4.7%. Buoyant share and corporate bond markets helped the Fund deliver positive returns for the third month in a row in June. The recovery in share and corporate bond markets are in excess of what we had considered possible given the global disruption caused by the COVID-19 outbreak.

Throughout the past three months the Fund has retained a more cautious stance with less exposure to shares and more cash. Nonetheless, the Fund has been helped by exposure to assets that have performed well, as well as careful stock selection in the equity funds. The Fund's exposure to high quality corporate bonds has been rewarded by good performance from an asset class now explicitly supported by the US central bank. Also, the reduced exposure to foreign currency in the month helped as the NZ dollar appreciated sharply against the US dollar.

Finally, more concentrated exposure to stocks such as Fisher & Paykel Healthcare (+18.5%) and the US technology sector helped deliver strong returns for the growth part of the Fund. The outlook is becoming more uncertain as COVID-19 takes a stronger grip on the US and we are past an initial surge in consumer spending. This gives stronger conviction in a more defensive Fund position, with less exposure to expensive global shares in particular.

To view Milford's July 2020 Market and Economic Review please see milfordasset.com/fact-sheet.

External Ratings



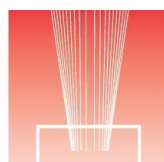
Milford KiwiSaver Balanced Fund received a Morningstar Analyst Rating™ of 'Silver' on 22-04-2019



Consumer NZ People's Choice Award – KiwiSaver



Morningstar Fund Manager of the Year
- KiwiSaver Category, NZ



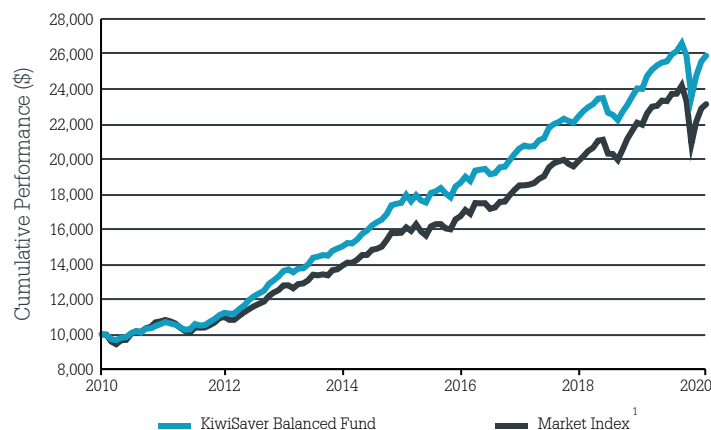
Awards
2019™



Zenith FundSource Fund 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)	\$410.6 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><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 30 June 2020⁵

Unit Price: \$2.4918

	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)	1.29%	9.99%	4.70%	7.74%	8.04%	9.73%
After Tax 10.50%	1.23%	9.92%	4.44%	7.42%	7.59%	9.17%
After Tax 17.50%	1.19%	9.86%	4.28%	7.21%	7.30%	8.80%
After Tax 28.00%	1.13%	9.79%	4.02%	6.89%	6.85%	8.26%
Market Index ¹	1.07%	10.75%	2.34%	7.66%	7.78%	8.53%

Top Equity Holdings

Holdings	% of Fund's NAV
a2 Milk Company	1.82%
Spark New Zealand	1.78%
Fisher & Paykel Healthcare	1.73%
Microsoft Corp	1.28%
Amazon	1.17%
Alphabet	1.16%
Contact Energy	1.14%
Woolworths	1.10%
Apple	1.01%
Transurban Group	0.96%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash [#]	18.01%	8.00%
New Zealand Fixed Interest	6.78%	8.00%
International Fixed Interest	23.22%	23.00%
New Zealand Equities	12.00%	15.00%
Australian Equities	11.52%	14.00%
International Equities	21.03%	26.00%
Listed Property	5.90%	6.00%
Other	1.54%	0%

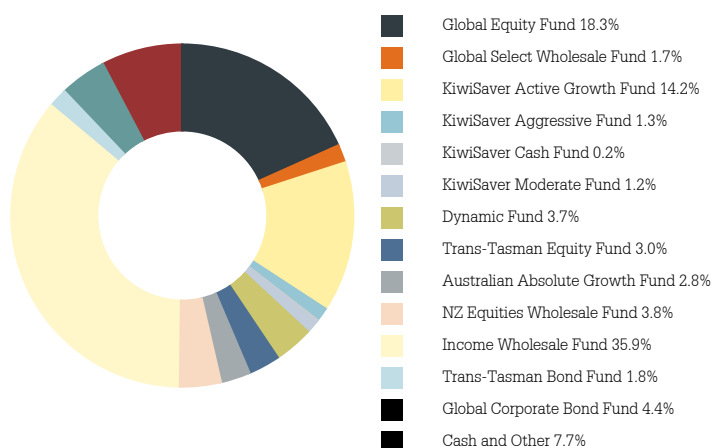
[#] The actual cash held by the Fund is 7.97%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

Holdings	% of Fund's NAV
NZ Government Bond 2.75% 2025	0.61%
NZLGF 1.5% 2026	0.58%
Mirvac Group 3.625% 2027	0.48%
JPMorgan 1.09% 2027	0.47%
Lendlease 4.5% 2026	0.47%
ASB Bank 5.25% 2026	0.46%
Vodafone Group 6.25% 2078	0.39%
Westpac 4.695% 2026	0.36%
Kerry Group 0.625% 2029	0.36%
ASB Bank 1.83% 2024	0.35%

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.

Level 28, 48 Shortland Street, Auckland
PO Box 960, Shortland Street, Auckland 1140
Free phone 0800 662 346
milfordasset.com

