

KiwiSaver Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 September 2020



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 0.1% in September, bringing the 1-year return to 6.0%. After the exuberance of August, US share markets slumped in September, led by technology stocks. This dragged other global share markets lower too but the impact on the Australian and NZ share markets, where the Fund is largely invested, was more muted. Although the exact cause of the sell-off is hard to identify, peaking economic growth, lower fiscal stimulus and the looming US election are all reasons for investors to be more cautious.

The Balanced Fund navigated the sell-off in a number of ways. Firstly, the underlying Funds had been taking profits on stocks that had been performing well and investing the proceeds in less expensive income stocks. Secondly, the Balanced Fund itself had reduced exposure to global (particularly US) shares, recognising that valuations and risks had been rising in August. Thirdly, the Fund increased its foreign currency exposure as the NZ dollar tends to fall when global shares fall. In the long term, low interest rates will continue to support asset prices, particularly those that can deliver sustainable incomes from coupons or dividends.

Accordingly, the Fund has been increasing exposure to the Income Fund over the month. Growth assets (shares) are likely to continue to be volatile as the outlook remains uncertain. The easy gains for the global economy are behind us and persistent unemployment, and potentially reduced appetite for government support, will weigh on growth going forward. The Fund remains cautious towards global shares within the context of an otherwise fully invested Fund.

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

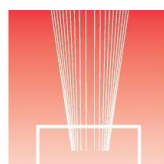
External Ratings



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



Consumer NZ People's Choice Award – KiwiSaver



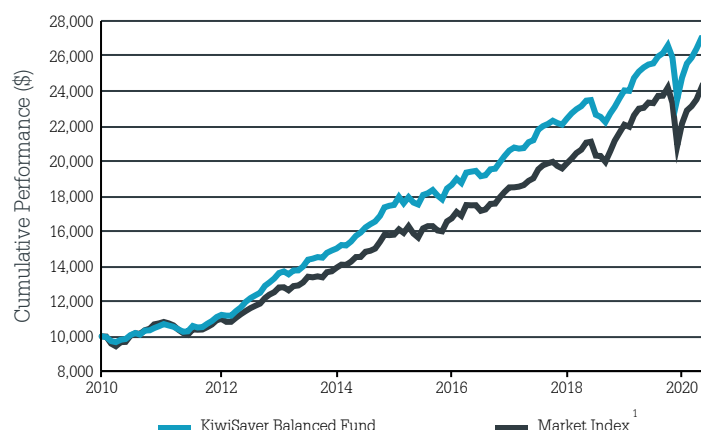
Morningstar Fund Manager of the Year
- KiwiSaver Category, NZ



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)	\$457.2 M
Buy-sell Spread	None - swing pricing applies (see PDS for details)
Inception Date	1 April 2010
Benchmark	Not applicable
Base Fund Fee³	1.05%
Performance Fee	The Fund may invest into related Milford funds that charge performance fees.
Total Fund Fees⁴	1.07% (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 September 2020⁵

Unit Price: \$2.6007

	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)	-0.11%	4.44%	6.04%	8.48%	9.07%	9.94%
After Tax 10.50%	0.03%	4.37%	5.76%	8.16%	8.65%	9.39%
After Tax 17.50%	-0.02%	4.32%	5.58%	7.94%	8.37%	9.02%
After Tax 28.00%	-0.11%	4.25%	5.30%	7.62%	7.95%	8.48%
Market Index ¹	-1.23%	3.24%	2.35%	7.89%	8.84%	8.65%

Top Equity Holdings

Holdings	% of Fund's NAV
Spark New Zealand	2.17%
Fisher & Paykel Healthcare	1.96%
Contact Energy	1.51%
a2 Milk Company	1.24%
Amazon	1.17%
Microsoft Corp	1.14%
Transurban Group	1.06%
Woolworths	1.04%
Alphabet	1.04%
Alibaba Group	0.94%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash [#]	11.04%	8.00%
New Zealand Fixed Interest	5.61%	6.00%
International Fixed Interest	24.80%	25.00%
New Zealand Equities	13.55%	12.00%
Australian Equities	11.69%	13.00%
International Equities	25.62%	29.00%
Listed Property	7.69%	7.00%
Other	0.00%	0%

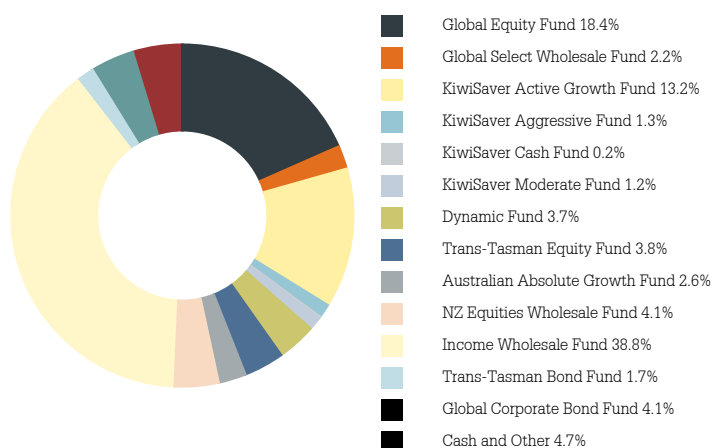
[#] The actual cash held by the Fund is 5.26%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

Holdings	% of Fund's NAV
Scentre Group 5.125% 2080	1.11%
AusNet Float 2080	0.58%
NZLGFA 1.5% 2026	0.58%
CBA Float 2030	0.46%
Mirvac Group 3.625% 2027	0.45%
Lendlease 4.5% 2026	0.44%
ASB Bank 5.25% 2026	0.41%
Kerry Group 0.625% 2029	0.36%
Vodafone Group 6.25% 2078	0.36%
Westpac 4.695% 2026	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

