

KiwiSaver Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 December 2020



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 1.9% in December bringing the one-year return to 10.2%. December saw continued strength from all the share markets the Fund invests into. Despite the surges of COVID-19 in the US and Europe, investors remain optimistic about further fiscal support in the US, a swift rollout of vaccines and a final resolution of the Brexit saga.

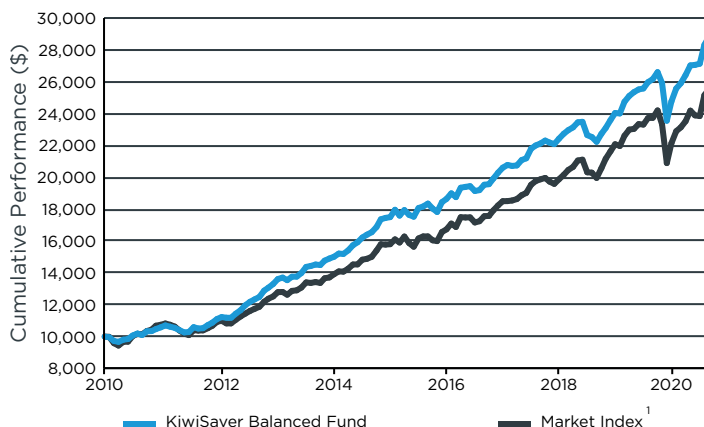
NZ shares performed particularly well in the month, despite a profit warning from a2 Milk. Performance was helped by share gains in the NZ electricity sector, notably Contact and Meridian. These companies are increasingly attracting offshore investors focusing on the low carbon emissions from hydroelectric power stations. Commodity prices have recovered strongly in recent months with iron ore prices surging on the back of supply disruptions in South America. As a result, the Australian materials and resource shares performed well in December, rewarding increased exposure over the last few months. Bond investments had a solid month with notable performance from higher yielding company bonds.

The Fund remains positioned with a modest overweight to shares, particularly NZ and Australian companies. The medium-term outlook is one of improving economic growth (once vaccines have been deployed) married with continued policy support from central banks and governments. This is a favourable investment backdrop and will allow the underlying Funds to focus on company selection - a key consideration as the global recovery gathers steam.

To view Milford's January 2021 Market and Economic Review please see milfordasset.com/fact-sheet.

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)	\$525.7 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)



External Ratings



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

KiwiSaver Balanced Fund as at 31 December 2020

Investment Performance after fees as at 31 December 2020⁵

Unit Price: \$2.7717

	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)	1.88%	6.60%	10.23%	9.24%	9.46%	10.35%
After Tax 10.50%	1.86%	6.41%	9.97%	8.88%	9.03%	9.79%
After Tax 17.50%	1.85%	6.28%	9.80%	8.64%	8.74%	9.42%
After Tax 28.00%	1.83%	6.09%	9.54%	8.28%	8.31%	8.87%
Market Index ¹	1.55%	6.93%	7.62%	8.72%	9.41%	9.11%

Top Equity Holdings

Holdings	% of Fund
Fisher & Paykel	2.10%
Spark	1.86%
Contact Energy	1.72%
Summerset	1.05%
Microsoft	1.02%
Mainfreight	0.99%
Woolworths	0.95%
Telstra	0.93%
Amazon	0.92%
Meridian	0.90%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	4.67%	8.00%
New Zealand Fixed Interest	5.03%	6.00%
International Fixed Interest	22.01%	25.00%
New Zealand Equities	14.84%	12.00%
Australian Equities	14.44%	13.00%
International Equities	30.87%	29.00%
Listed Property	6.85%	7.00%
Other	1.29%	0%

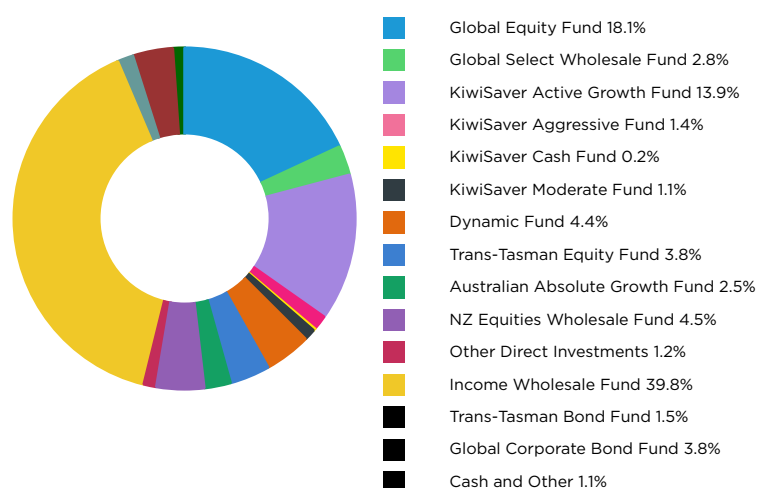
The actual cash held by the Fund is 5.09%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

Holdings	% of Fund
Scentre Group 5.125% 2080	1.12%
AusNet Float 2080	0.47%
ASB Bank 5.25% 2026	0.41%
NAB Float 2030	0.40%
Mirvac Group 3.625% 2027	0.38%
Aventus Float 2025	0.33%
Westpac 4.695% 2026	0.32%
Kerry Group 0.625% 2029	0.32%
Ball 1.5% 2027	0.28%
Vodafone 6.25% 2078	0.28%

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.

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