

KiwiSaver Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 July 2021



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 0.7% in the month with a 1-year return of 17.5%. There are signs that global growth is peaking. This is largely due to constraints on supply of goods and labour, as opposed to a cooling of the red-hot demand from consumers as they emerge from lockdowns.

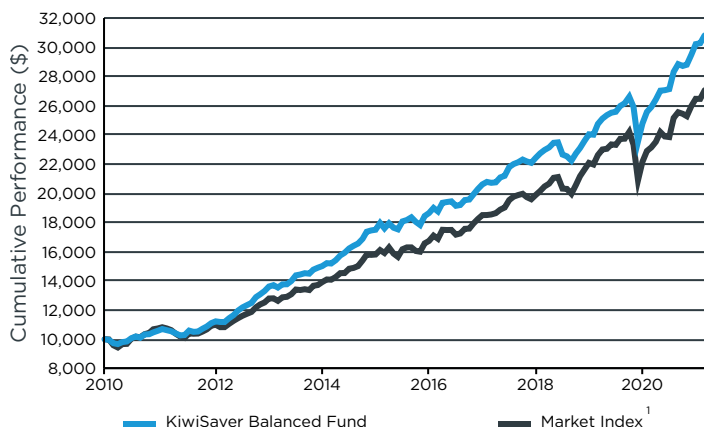
The main implication of peaking growth has been a fall in government bond yields. We have expected the opposite to happen, and still believe that bond yields are way too low given the growth and inflation backdrop. Nonetheless, low bond yields increase our conviction in our key positions, bonds are relatively unattractive, whilst share valuations are supported. That's not to say we expect share markets to continue marching higher, but increased exposure to shares enables the Fund to benefit from the good stock opportunities that we continue to find.

This month, top 10 holding HCA Healthcare reported stellar results and the stock was up 20.1%. Fellow top 10 holding Mainfreight was up 7.4% on the back of a strong trading update. Elevated exposure to shares is appropriate given our outlook, but it does leave the Fund more vulnerable to falls in shares should something unforeseen arise. Sharply higher bond yields remain the key risk, but the Fund's reduced exposure to bonds helps mitigate against this outcome.

To view Milford's August 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	To provide capital growth over the minimum recommended investment timeframe
Description	Diversified fund that primarily invests in equities, with a significant allocation to fixed interest securities
Minimum recommended investment timeframe	5 years
Target Allocation	39% Income Assets / 61% Growth Assets
Neutral FX Exposure	13.0%
Net Asset Value (NAV)	\$716.8 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	1.06% (includes an est. performance fee)



External Ratings



Milford KiwiSaver Balanced Fund received a Morningstar Analyst Rating™ of 'Silver' on 13-07-2020

KiwiSaver Balanced Fund as at 31 July 2021

Investment Performance after fees as at 31 July 2021⁵

Unit Price: \$2.9792

	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)	0.72%	2.70%	17.45%	10.27%	9.91%	10.50%
After Tax 10.50%	0.73%	2.71%	17.06%	9.95%	9.52%	9.96%
After Tax 17.50%	0.73%	2.72%	16.81%	9.73%	9.25%	9.61%
After Tax 28.00%	0.74%	2.73%	16.42%	9.40%	8.86%	9.08%
Market Index ¹	0.80%	2.98%	15.88%	9.68%	9.27%	9.25%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	1.83%
Fisher & Paykel	1.62%
Alphabet	1.20%
Spark	1.19%
Microsoft	1.18%
Telstra	1.14%
Virgin Money	1.05%
HCA Holdings	0.97%
Mainfreight	0.95%
Meridian	0.92%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash [#]	14.15%	8%
New Zealand Fixed Interest	3.64%	6%
International Fixed Interest	20.19%	25.00%
New Zealand Equities	12.37%	12%
Australian Equities	13.68%	13%
International Equities	30.10%	29%
Listed Property	5.74%	7%
Other	0.13%	0%

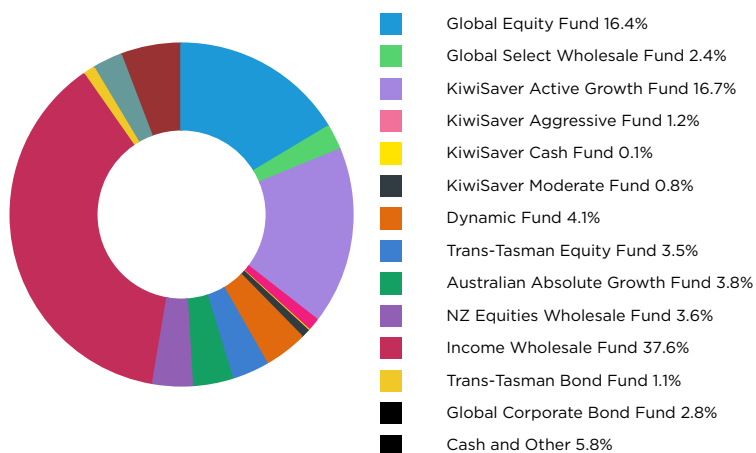
[#] The actual cash held by the Fund is 11.12%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

Holdings	% of Fund
Scentre Group 5.125% 2080	0.68%
Martin Marietta 3.2% 2051	0.36%
Wesfarmers 1.941% 2028	0.34%
Mirvac Group 3.625% 2027	0.32%
ASB Bank 5.25% 2026	0.32%
T-Mobile 3.375% 2029	0.31%
HCA 5.875% 2026	0.28%
NZLGFA 1.5% 2026	0.27%
Aventus Float 2025	0.26%
Ericsson 1% 2029	0.25%

Note: Fixed interest securities are reported in the following format: Issuer name, interest (coupon rate), maturity year.

Fund Allocation



**PROVIDER OF THE YEAR
KIWISAVER 2020**



**OUTSTANDING VALUE
KIWISAVER 2020**

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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