

Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 December 2019



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 0.7% in December, with a strong 1-year return of 17.5%. Fund returns in 2019 were driven by a favourable starting point (after the share market falls of late 2018), economic weakness that was not as bad as feared and most significantly - meaningful falls in interest rates around the world. For the Balanced Fund this benefited share and bond portfolios with both contributing positively to the returns last year.

Active positioning around currency exposure contributed meaningfully to performance in December and the strong performance of global shares was the main contributor to the Fund's return in the month. The size of the return last year is unlikely to be repeated over the next 12 months. Broad and uniform market gains will be unlikely, with volatility in both directions becoming the norm. We are also likely to see greater rotation under the surface as the outlook for different types of companies changes.

Consequently, the Fund will be relying on active management and particularly stock selection within the underlying Milford funds to drive returns going forward. Even though returns from markets are expected to be lower, the backdrop for investing remains favourable with improving growth and low interest rates, therefore the Fund remains fully invested.

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

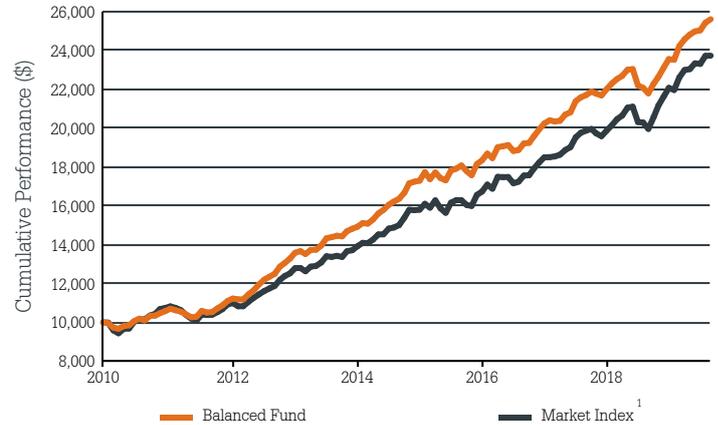
External Ratings



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

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)	\$791.9 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	1.10% (includes an est. performance fee)
Risk Indicator	<div style="display: flex; justify-content: space-between;"> Lower risk Higher risk </div> <div style="text-align: center;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between;"> Potentially lower returns Potentially higher returns </div>



Investment Performance after fees as at 31 December 2019⁵

Unit Price: \$2.466

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	0.72%	2.51%	17.51%	10.06%	9.37%	10.12%
After Tax 10.50%	0.61%	2.30%	16.99%	9.64%	8.88%	9.56%
After Tax 17.50%	0.53%	2.16%	16.65%	9.36%	8.56%	9.18%
After Tax 28.00%	0.41%	1.94%	16.13%	8.94%	8.07%	8.63%
Market Index ¹	0.05%	1.69%	18.90%	10.56%	9.60%	9.27%

Top Equity Holdings

Holdings	% of Fund's NAV
Spark New Zealand	1.75%
a2 Milk Company	1.57%
Contact Energy	1.49%
Microsoft Corp	1.20%
Alphabet	1.12%
Visa	1.10%
Transurban Group	0.92%
HDFC Bank	0.90%
Mastercard	0.90%
Amazon	0.88%

Current Asset Allocation

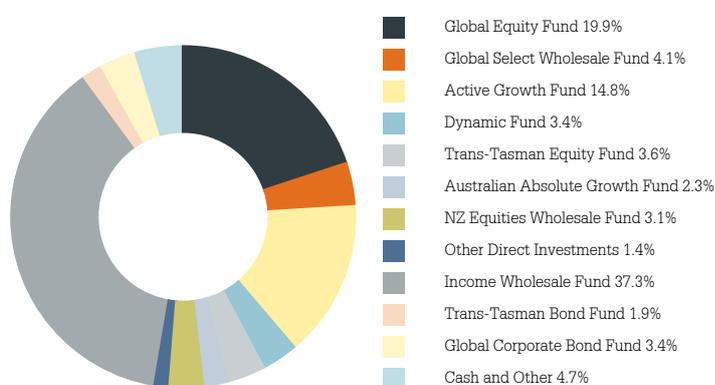
	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	7.18%	8.00%
New Zealand Fixed Interest	6.43%	8.00%
International Fixed Interest	23.94%	23.00%
New Zealand Equities	11.88%	15.00%
Australian Equities	10.03%	14.00%
International Equities	29.44%	26.00%
Listed Property	8.66%	6.00%
Other	2.44%	0%

Top Fixed Interest Holdings

Holdings	% of Fund's NAV
QBE 6.75% 2044	0.65%
ASB Bank 5.25% 2026	0.44%
Rabobank 4.625% 2025	0.43%
JPMorgan 1.09% 2027	0.42%
Mirvac Group 3.625% 2027	0.41%
Lendlease 4.5% 2026	0.40%
Westpac 2.22% 2024	0.40%
Bank of America 3.458% 2025	0.39%
IAG Float 2045	0.37%
ANZ Bank Float 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 for more information about the data published within this document.

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