

# Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 May 2022



## Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

The Fund returned -1.4% in the month with a one-year return of 0.8%. Although global shares finished the month unchanged it took a late month 7% rally off the lows to do so. This type of move has been commonplace this year and will likely persist in the coming months - big swings up and down.

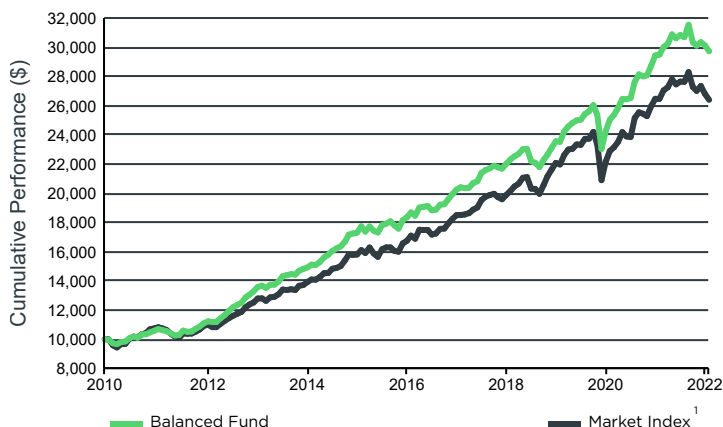
One silver lining last month was a pause in the global bond market sell-off. With many interest rate hikes now factored into bond prices, there are some good opportunities emerging to invest. The Fund has been increasing exposure to NZ bonds as well as selected global corporate bonds that can deliver high single digit yields. The share market exposure in the Fund has been fluctuating as the outlook evolves and to capture some of the large swings in markets. From a 60% neutral position, the Fund has been moving between 45% and 55% exposure to shares this year. The type of share exposure has also changed, with a significant reduction in exposure to global growth companies as these are most at risk from further declines in valuation.

Looking ahead, further volatility is likely. For this reason, the Fund retains its defensive stance of around 50% exposure to shares, with good conviction in those shares that we still hold. Increased exposure to bonds should also start to offer some steady returns on the other side, helping mitigate any further broad falls in share markets.

To view Milford's June 2022 Market and Economic Review please see [milfordasset.com/fact-sheet](http://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

<b>Objective</b> <sup>2</sup>	To provide capital growth over the minimum recommended investment timeframe
<b>Description</b>	Diversified fund that primarily invests in equities, with a significant allocation to fixed interest securities

<b>Minimum recommended investment timeframe</b>	5 years +
<b>Target Allocation</b>	39% Income Assets / 61% Growth Assets
<b>Neutral FX Exposure</b>	13.0%
<b>Net Asset Value (NAV)</b>	\$1,640.1 M
<b>Buy-sell Spread</b>	None - swing pricing applies (See PDS for details)
<b>Inception Date</b>	1 April 2010
<b>Benchmark</b>	Not applicable
<b>Base Fund Fee</b> <sup>3</sup>	1.05%
<b>Performance Fee</b>	The Fund may invest into related Milford funds that charge performance fees.
<b>Total Fund Fees</b> <sup>4</sup>	1.06% (includes an est. performance fee)

	Lower risk					Higher risk	
<b>Risk Indicator</b>	1	2	3	4	5	6	7
	Potentially lower returns				Potentially higher returns		

## External Ratings



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

## Balanced Fund as at 31 May 2022

### Investment Performance after fees as at 31 May 2022<sup>5</sup>

Unit Price: \$2.8495

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	-1.35%	-1.29%	0.77%	8.10%	7.81%	9.36%
After Tax 10.50%	-1.38%	-1.33%	0.64%	7.81%	7.52%	8.87%
After Tax 17.50%	-1.40%	-1.36%	0.55%	7.61%	7.32%	8.54%
After Tax 28.00%	-1.43%	-1.40%	0.42%	7.32%	7.03%	8.06%
Market Index <sup>1</sup>	-1.53%	-2.27%	-0.26%	6.31%	7.36%	8.30%

### Top Equity Holdings

Holdings	% of Fund
Contact Energy	2.15%
Santos	1.08%
HCA Holdings	1.04%
Microsoft	0.97%
CSL	0.95%
Anthem	0.94%
Charter Hall Retail	0.92%
Telstra	0.89%
Natwest	0.88%
Virgin Money	0.87%

### Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash <sup>#</sup>	20.50%	8.0%
New Zealand Fixed Interest	6.90%	6.0%
International Fixed Interest	25.26%	25.0%
New Zealand Equities	8.34%	11.0%
Australian Equities	7.19%	13.0%
International Equities	25.00%	30.0%
Listed Property	6.81%	7.0%
Other	0.00%	0.0%

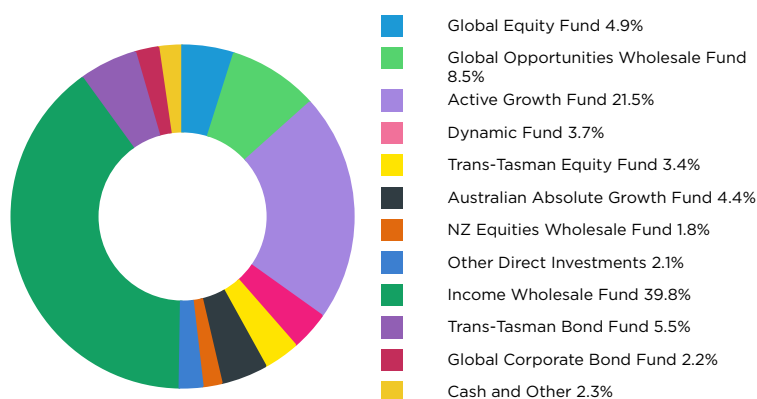
<sup>#</sup> The actual cash held by the Fund is 8.90%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

### Top Fixed Interest Holdings

Holdings	% of Fund
NZGBI 2% 2025	1.35%
NatWest 5.125% Perpetual	0.72%
Scentre Group 5.125% 2080	0.53%
ING Groep 4.25% Perpetual	0.52%
NextEra Energy	0.45%
Voyage Float 2029	0.40%
CBA Float 2031	0.38%
Westpac 3.696% 2027	0.38%
Deutsche Bank 4% 2032	0.38%
Westpac 5% 2027	0.38%

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](http://milfordasset.com/fact-sheet) for more information about the data published within this document.

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