

# Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 April 2020



## Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

Global share markets rebounded strongly in April, helping the Fund deliver a return of 5.2% for the month, 1-year returns stand at 2.9%. The Fund has been retaining a defensive stance with a lower exposure to shares.

In April, investors expressed optimism that the worst of the virus was over as lockdowns reduced the spread. Our view remains that we are in the early stages of this outbreak and economic activity will be impaired for a long time, notwithstanding that we are already experiencing an economic slowing at a faster pace than we saw during the Global Financial Crisis. Accordingly, we have reduced share exposure in the Fund across the US and Australia.

The performance in April was boosted by good stock selection across all regions where the Fund is invested. We see good opportunity in understanding the vastly differing outlook for various companies, assessing that against the value on offer and investing accordingly. For the Balanced Fund, this means investing through the underlying Milford funds whilst maintaining a defensive overall stance.

On the bond side the preferred exposure is through company bonds where there is extra return on offer and market support from global central banks. Market interest rates are already at very low levels, therefore government bonds offer little utility as defensive holdings. Protection from further volatility will come from reduced share exposure and appropriate stock selection.

To view Milford's May 2020 Market and Economic Review please see [milfordasset.com/fact-sheet](http://milfordasset.com/fact-sheet).

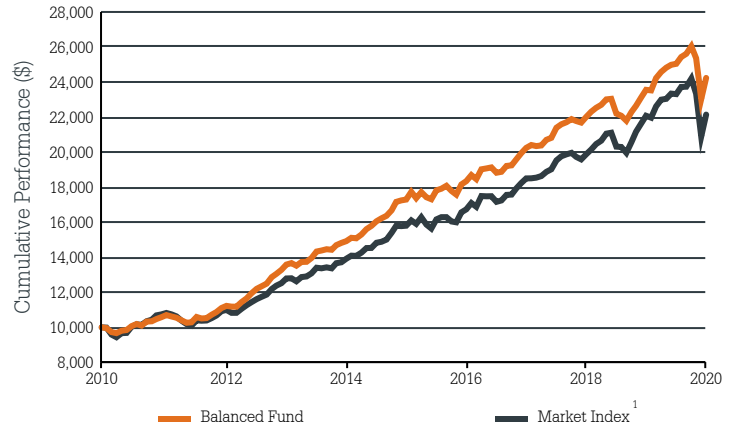
## External Ratings



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

<b>Objective<sup>2</sup></b>	Capital growth over a minimum of five years
<b>Description</b>	Diversified fund that primarily invests in equities, with a significant allocation to fixed interest securities
<b>Target Allocation</b>	39% Income Assets / 61% Growth Assets
<b>Neutral FX Exposure</b>	13.0%
<b>Net Asset Value (NAV)</b>	\$729.5 M
<b>Buy-sell Spread</b>	None
<b>Inception Date</b>	1 April 2010
<b>Benchmark</b>	Not applicable
<b>Base Fund Fee<sup>3</sup></b>	1.07%
<b>Performance Fee</b>	The Fund may invest into related Milford funds that charge performance fees.
<b>Total Fund Fees<sup>4</sup></b>	1.10% (includes an est. performance fee)
<b>Risk Indicator</b>	<div style="display: flex; justify-content: space-between;"> <span>Lower risk</span> <span>Higher risk</span> </div> <div style="text-align: center;"> <span>1</span> <span>2</span> <span>3</span> <span style="color: red;">4</span> <span>5</span> <span>6</span> <span>7</span> </div> <div style="display: flex; justify-content: space-between;"> <span>Potentially lower returns</span> <span>Potentially higher returns</span> </div>

Investment Performance after fees as at 30 April 2020<sup>5</sup>

Unit Price: \$2.332

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	5.23%	-6.92%	2.89%	6.18%	6.98%	9.17%
After Tax 10.50%	5.22%	-6.88%	2.65%	5.86%	6.56%	8.64%
After Tax 17.50%	5.21%	-6.85%	2.48%	5.65%	6.29%	8.28%
After Tax 28.00%	5.20%	-6.81%	2.24%	5.33%	5.88%	7.76%
Market Index <sup>1</sup>	5.98%	-8.50%	0.30%	6.17%	6.98%	8.20%

## Top Equity Holdings

Holdings	% of Fund's NAV
Spark New Zealand	1.69%
a2 Milk Company	1.66%
Alphabet	1.41%
Contact Energy	1.37%
Microsoft Corp	1.30%
Fisher & Paykel Healthcare	1.18%
Amazon	1.15%
Transurban Group	1.11%
Apple	1.01%
Alibaba Group	0.94%

## Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash <sup>#</sup>	29.59%	8.00%
New Zealand Fixed Interest	6.97%	8.00%
International Fixed Interest	19.41%	23.00%
New Zealand Equities	10.14%	15.00%
Australian Equities	8.09%	14.00%
International Equities	21.26%	26.00%
Listed Property	4.54%	6.00%
Other	0.00%	0%

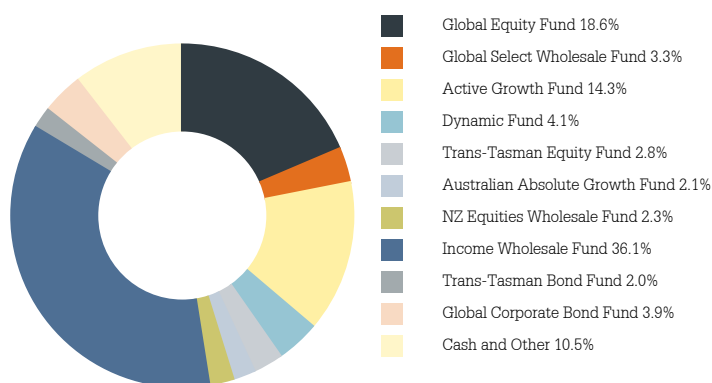
<sup>#</sup> The actual cash held by the Fund is 14.27%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

## Top Fixed Interest Holdings

Holdings	% of Fund's NAV
Lendlease 4.5% 2026	0.65%
United States Treasury 0% 2020	0.58%
Mirvac Group 3.625% 2027	0.52%
JPMorgan 1.09% 2027	0.49%
ASB Bank 5.25% 2026	0.49%
NZLGFA 1.5% 2026	0.46%
Rabobank 0.875% 2028	0.39%
Westpac 4.695% 2026	0.38%
Kerry Group 0.625% 2029	0.37%
ASB Bank 1.83% 2024	0.36%

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.

Level 28, 48 Shortland Street, Auckland  
PO Box 960, Shortland Street, Auckland 1140  
Free phone 0800 662 345  
[milfordasset.com](http://milfordasset.com)

