

# Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 August 2021



## Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

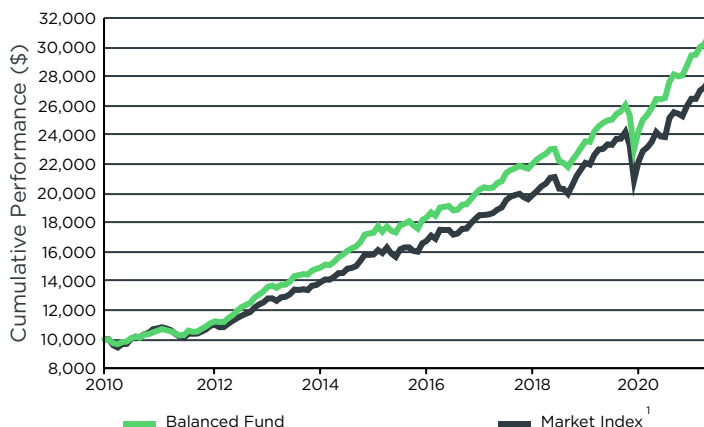
The Fund returned 2.2% in the month with a 1-year return of 16.7%. Share markets continue to drive higher and August saw strong gains in shares across the board, helping deliver good fund performance.

NZ shares were a standout, with a strong market return as well as good stock selection boosting returns. On the back of reporting better than expected profit outcomes, key holdings of Summerset and EBOS delivered gains of 17.1% and 15.9% respectively. With returns on bonds so low, we continue to find attractive opportunities from investing in high quality dividend paying stocks. Last month saw other investors follow suit and the Australian property sector delivered gains of over 6%. On the global side, we continue to see solid returns from high quality growth stocks such as Microsoft (+6.2%), Google (+7.6%) and Amazon (+4.3%). We continue to find reasonably valued opportunities in shares to invest in. Coupled with the constructive medium-term outlook, the Fund is likely to remain fully invested in shares for the foreseeable future. That being said, we are constantly reassessing the outlook and will make changes accordingly. Our biggest concern is the risk of higher interest rates and policy tightening from governments and central banks. The Fund is positioned to mitigate against this risk by maintaining an underweight position in bonds.

To view Milford's September 2021 Market and Economic Review please see [milfordasset.com/fact-sheet](http://milfordasset.com/fact-sheet).

## Cumulative Fund Performance

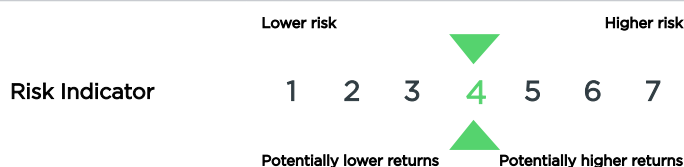
(after fees and before tax)



Assumes the growth of \$10,000 invested at the Fund's inception date.

## Key Fund Facts

<b>Objective<sup>2</sup></b>	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>	\$1,633.4 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<sup>3</sup></b>	1.05%
<b>Performance Fee</b>	The Fund may invest into related Milford funds that charge performance fees.
<b>Total Fund Fees<sup>4</sup></b>	1.07% (includes an est. performance fee)



## External Ratings



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

## Balanced Fund as at 31 August 2021

### Investment Performance after fees as at 31 August 2021<sup>5</sup>

Unit Price: \$2.9646

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	2.15%	4.70%	16.73%	10.30%	10.12%	10.37%
After Tax 10.50%	2.13%	4.72%	16.33%	9.98%	9.75%	9.86%
After Tax 17.50%	2.12%	4.73%	16.06%	9.77%	9.50%	9.52%
After Tax 28.00%	2.09%	4.75%	15.66%	9.45%	9.13%	9.01%
Market Index <sup>1</sup>	1.99%	5.04%	14.93%	9.70%	9.72%	9.37%

### Top Equity Holdings

Holdings	% of Fund
Contact Energy	1.88%
Fisher & Paykel	1.67%
Alphabet	1.32%
Microsoft	1.24%
Virgin Money	1.10%
Mainfreight	1.04%
Spark	1.03%
Telstra	1.02%
Charter Hall Retail	1.00%
Summerset	0.99%

### Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash <sup>#</sup>	14.51%	8%
New Zealand Fixed Interest	3.67%	6%
International Fixed Interest	19.91%	25.00%
New Zealand Equities	12.37%	12%
Australian Equities	12.84%	13%
International Equities	29.76%	29%
Listed Property	6.10%	7%
Other	0.84%	0%

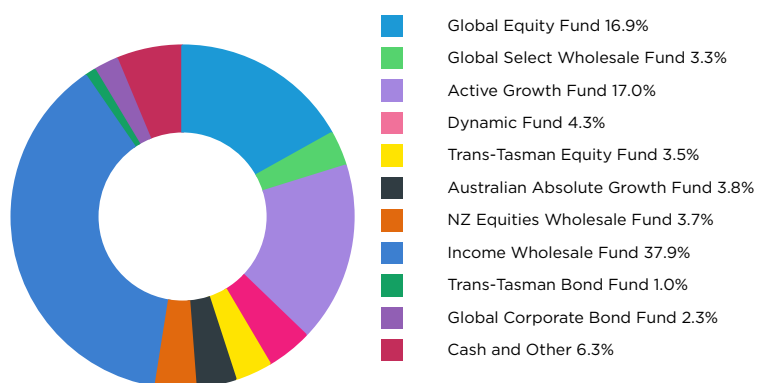
<sup>#</sup> The actual cash held by the Fund is 10.87%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

### Top Fixed Interest Holdings

Holdings	% of Fund
Scentre Group 5.125% 2080	0.68%
NAB Float 2026	0.40%
Kiwibank 1.3% 2022	0.37%
Martin Marietta 3.2% 2051	0.34%
CBA Float 2031	0.34%
Mirvac Group 3.625% 2027	0.32%
Wesfarmers 1.941% 2028	0.31%
T-Mobile 3.375% 2029	0.31%
Becton Dickinson Euro 0.334% 2028	0.31%
ASB Bank 5.25% 2026	0.31%

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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