

# Balanced Fund

## Portfolio Investment Entity

### Monthly Fact Sheet as at 31 August 2024



## Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

The Fund returned -0.8% in August, bringing the one year return to 11.0%. The last 12 months have seen strong tailwinds for the balanced strategy, with significant positive performance from bonds and shares.

In August, it was the bond portion of the Fund that performed well, whilst shares were volatile. With the inflation issue now largely resolved, market pricing now expects interest rates to fall whilst also expecting economic growth to remain robust enough to support solid earnings growth. This leaves both bonds and broad shares somewhat elevated in valuation vs. the outlook.

The challenge is to invest for positive returns, whilst avoiding losses in either shares and bonds (or both). We are meeting this challenge in two ways. Firstly, we are still finding some value in parts of the share markets, most notably the UK, as well as in global and local infrastructure companies.

Secondly, we can be nimble in dialling up and down exposure to various asset classes according to pricing and the outlook. Currently, the Fund has reduced exposure to bonds, as we think fears around global economic growth are overblown. The Fund remains fully exposed to shares but the mix is shifting as per above.

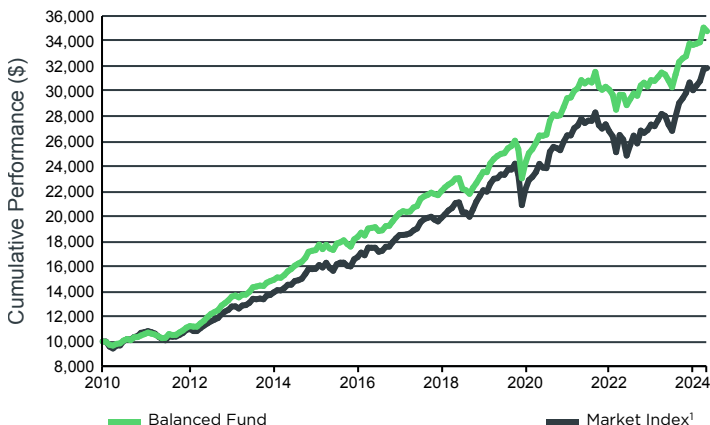
In currencies, last month saw a sharp rally in the NZ dollar. We think this has been overdone and so the Fund is increasing its exposure to foreign currencies accordingly.

To view Milford's August 2024 Market and Economic Review please see [milfordasset.com/insights](https://milfordasset.com/insights).

For previous fund reports see [milfordasset.com/fund-reports](https://milfordasset.com/fund-reports).

## 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>	\$1,850.3 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



The Milford Balanced Fund has a Morningstar Medalist Rating™ of 'Silver' as of 6-09-2023

## Balanced Fund as at 31 August 2024

### Investment Performance after fees as at 31 August 2024<sup>5</sup>

Unit Price: \$3.3206

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	-0.83%	2.93%	11.04%	4.05%	6.98%	9.03%
After Tax 10.50%	-0.84%	2.77%	10.45%	3.71%	6.65%	8.55%
After Tax 17.50%	-0.86%	2.67%	10.05%	3.49%	6.43%	8.23%
After Tax 28.00%	-0.88%	2.51%	9.47%	3.15%	6.10%	7.77%
Market Index <sup>1</sup>	0.37%	4.61%	13.66%	4.64%	6.68%	8.36%

### Top Equity Holdings

Holdings	% of Fund
Contact Energy	1.85%
Coca-Cola Europacific Partners	1.35%
Microsoft	1.35%
CRH	1.32%
Shell	1.29%
Infratil	1.29%
Telstra	1.17%
HCA Holdings	1.14%
Spark	1.13%
Elevance Health	1.02%

### Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash <sup>#</sup>	11.80%	8%
New Zealand Fixed Interest	7.56%	6%
International Fixed Interest	24.12%	25.0%
New Zealand Equities	7.97%	10.5%
Australian Equities	11.17%	13.5%
International Equities	31.64%	30%
Listed Property	4.61%	7%
Other	1.13%	0.0%

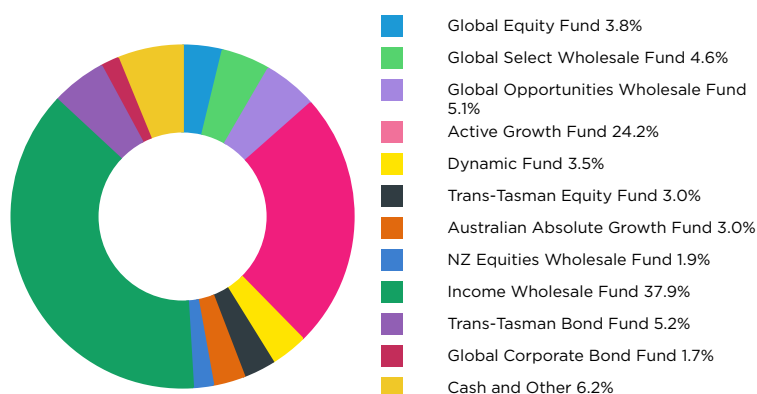
<sup>#</sup> The actual cash held by the Fund is 8.95%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

### Top Fixed Interest Holdings

Holdings	% of Fund
NZGBI 2% 2025	0.78%
Scentre Group 5.125% 2080	0.62%
ANZ 4.95% 2029	0.53%
Westpac 5.754% 2034	0.50%
NatWest 5.125% Perpetual	0.46%
Westpac 5.1% 2029	0.44%
NZLGFA 4.5% 2030	0.41%
Contact 6.398% 2030	0.37%
Bank of Ireland 7.594% 2032	0.37%
AT&T 2.875% Perpetual	0.33%

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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