

# Balanced Fund

## Portfolio Investment Entity

### Monthly Fact Sheet as at 31 December 2023



#### Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

The Fund delivered 3.2% in December, bringing the one-year performance to 9.1%. A strong return over the last two months has rewarded investor patience after a choppy previous six months. Performance was underpinned by a rally in both shares and bonds, helping both sides of the Fund's asset mix.

The broad nature of the rally across bonds and shares also helped the Fund, given the natural diversification across a range of geographies and styles. Last month, it was pleasing to see Australian shares outperform, as the Fund has increased exposure to this region recently. The tilt to corporate bonds also continues to work as these assets outperformed similar government bonds in December.

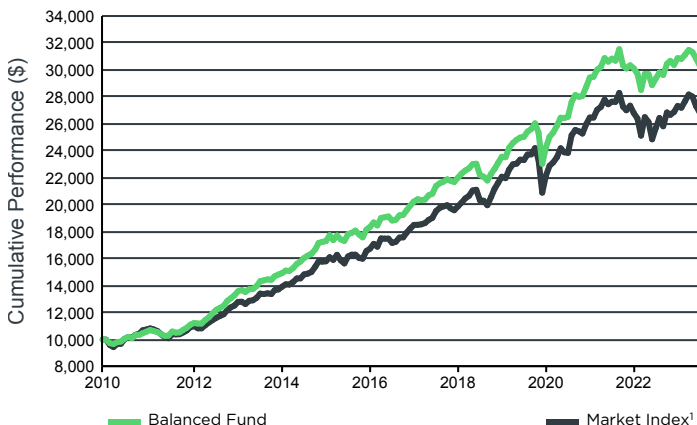
Finally, even though the rally was broad based, it was pleasing to see our stock picks performing well with many of the underlying funds outperforming their benchmarks. The genesis of the rally is increased conviction from investors that the inflation battle is won and central banks can now cut interest rates, taking the pressure off economies. Both bonds and shares are now fully reflecting this outcome, meaning a different outcome (such as a resurgence in inflation) could see asset pricing quickly change. With bonds and shares moving in lockstep, the Fund has reduced exposure to both after the recent rally, partly in expectation of some consolidation in markets.

To view Milford's December 2023 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<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>	\$1,635.6 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>	1.06% (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 December 2023

### Investment Performance after fees as at 31 December 2023<sup>5</sup>

Unit Price: \$3.0898

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	3.19%	4.76%	9.09%	4.73%	8.20%	8.90%
After Tax 10.50%	3.12%	4.60%	8.65%	4.46%	7.89%	8.43%
After Tax 17.50%	3.08%	4.49%	8.36%	4.28%	7.68%	8.11%
After Tax 28.00%	3.01%	4.33%	7.92%	4.00%	7.37%	7.64%
Market Index <sup>1</sup>	3.81%	6.32%	12.49%	4.38%	7.79%	8.06%

### Top Equity Holdings

Holdings	% of Fund
Contact Energy	1.89%
Spark	1.53%
HCA Holdings	1.44%
Shell	1.38%
Telstra	1.30%
Coca-Cola Europacific Partners	1.22%
Elevance Health	1.13%
Fiserv	1.12%
Bank of Ireland Group	0.92%
Goodman	0.91%

### Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	20.09%	8%
New Zealand Fixed Interest	8.84%	6%
International Fixed Interest	27.54%	25.0%
New Zealand Equities	8.62%	10.5%
Australian Equities	11.58%	13.5%
International Equities	18.66%	30%
Listed Property	3.60%	7%
Other	1.07%	0.0%

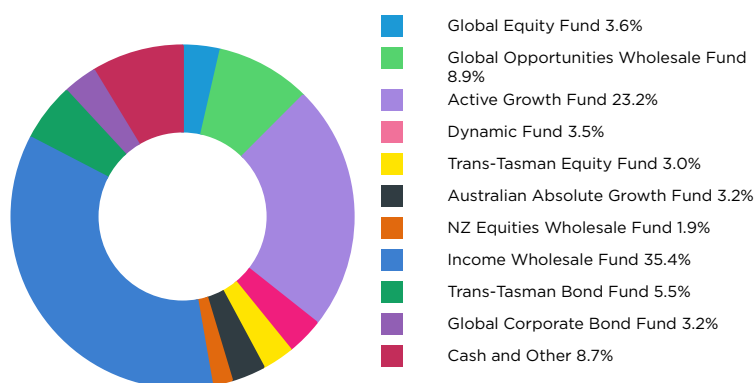
# The actual cash held by the Fund is 7.31%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

### Top Fixed Interest Holdings

Holdings	% of Fund
NZGBI 2% 2025	2.31%
Westpac 7.199% 2038	0.88%
Scentre Group 5.125% 2080	0.67%
NatWest 5.125% Perpetual	0.56%
AT&T 2.875% Perpetual	0.49%
British Telecommunications	0.46%
Contact 6.398% 2030	0.45%
CBA 4.9% 2028	0.44%
Telstra 4.9% 2028	0.40%
Voyage Float 2029	0.39%

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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