

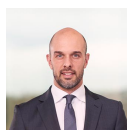
Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 28 February 2021



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 0.3% in the past month, bringing the 1-year return to 10.7%.

Bonds typically make up 40% of the Fund's investments, so when bonds fell sharply as they did in February, this becomes a challenge to manage. We are very aware of the importance of government bond yields (effectively the interest rate governments pay to borrow for different periods) for valuations of assets of all types. The improving economic outlook around the world means that bond investors are effectively demanding more return on their investment - i.e. higher bond yields. To protect against falling bond prices in the Fund we took out insurance in the form of short futures that would pay off in this scenario - helping cushion performance last month.

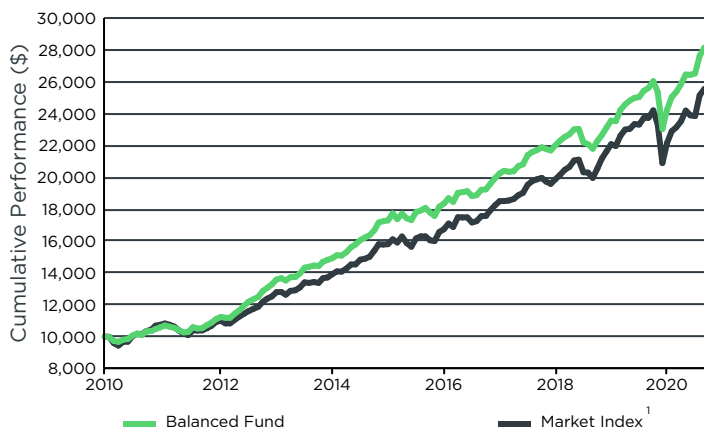
The share portfolio was also heavily impacted and here too we were active in capturing favourable moves for the benefit of the Fund. High growth companies and high dividend yielding stocks were the hardest hit in the month. Stock selection in the underlying funds helped avoid large exposures to these companies. Conversely, stocks that are benefitting from improved economic fundamentals and higher bond yields have been key additions to our funds over the past few months. These include financials and the mining companies in Australia, both of which performed well last month.

We remain positive on the outlook. The Fund is positioned for this with a still cautious approach to bonds and an ongoing tilt to cyclical and financial stocks in Australia and the rest of the world.

To view Milford's March 2021 Market and Economic Review please see 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

Objective² Capital growth over a minimum of five years

Description Diversified fund that primarily invests in equities, with a significant allocation to fixed interest securities

Target Allocation 39% Income Assets / 61% Growth Assets

Neutral FX Exposure 13.0%

Net Asset Value (NAV) \$1,177.4 M

Buy-sell Spread None - swing pricing applies (See PDS for details)

Inception Date 1 April 2010

Benchmark Not applicable

Base Fund Fee³ 1.05%

Performance Fee The Fund may invest into related Milford funds that charge performance fees.

Total Fund Fees⁴ 1.08% (includes an est. performance fee)



External Ratings



Milford Balanced Fund received a Morningstar Analyst Rating™ of 'Silver' on 22-04-2019

Balanced Fund as at 28 February 2021

Investment Performance after fees as at 28 February 2021⁵

Unit Price: \$2.6979

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	0.26%	1.61%	10.70%	8.83%	9.82%	9.92%
After Tax 10.50%	0.20%	1.51%	10.34%	8.51%	9.38%	9.38%
After Tax 17.50%	0.16%	1.45%	10.10%	8.29%	9.08%	9.02%
After Tax 28.00%	0.10%	1.35%	9.74%	7.96%	8.64%	8.50%
Market Index ¹	-0.63%	0.49%	8.34%	8.60%	9.58%	8.87%

Top Equity Holdings

Holdings	% of Fund
Fisher & Paykel	1.83%
Spark	1.69%
Contact Energy	1.43%
Alphabet	1.11%
Microsoft	1.09%
Summerset	1.00%
Telstra	0.92%
Mainfreight	0.91%
Amazon	0.85%
Apple	0.80%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash [#]	13.35%	8.00%
New Zealand Fixed Interest	4.48%	6.00%
International Fixed Interest	21.89%	25.00%
New Zealand Equities	13.14%	12.00%
Australian Equities	14.08%	13.00%
International Equities	26.66%	29.00%
Listed Property	5.94%	7.00%
Other	0.46%	0%

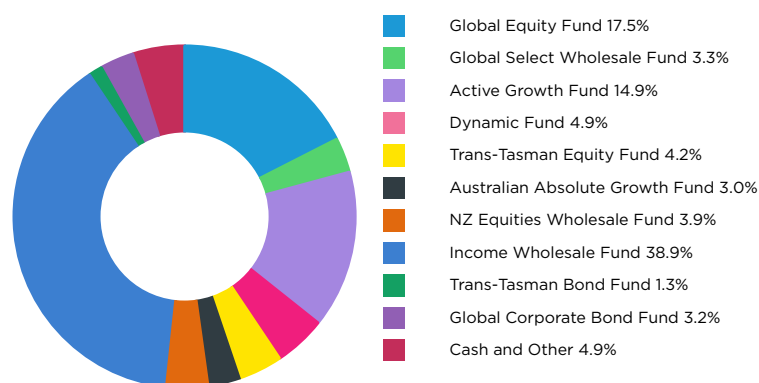
[#] The actual cash held by the Fund is 10.03%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

Holdings	% of Fund
Scentre Group 5.125% 2080	0.96%
AusNet Float 2080	0.46%
ASB Bank 5.25% 2026	0.40%
Mirvac Group 3.625% 2027	0.38%
NZLGFA 1.5% 2026	0.33%
Aventus Float 2025	0.31%
Westpac 4.695% 2026	0.31%
Kerry Group 0.625% 2029	0.29%
JPMorgan 1.09% 2027	0.27%
CBA Float 2030	0.27%

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 for more information about the data published within this document.

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