

Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 January 2022



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned -3.8% in January, bringing the one-year return to 8.3%. January was a tough month as both bonds and share markets fell sharply, a particularly toxic mix for a Balanced fund that invests in both. The Fund's reduced exposure to both bonds and shares helped soften the impact, but it is inevitable that the Fund will follow the path of markets to a certain extent.

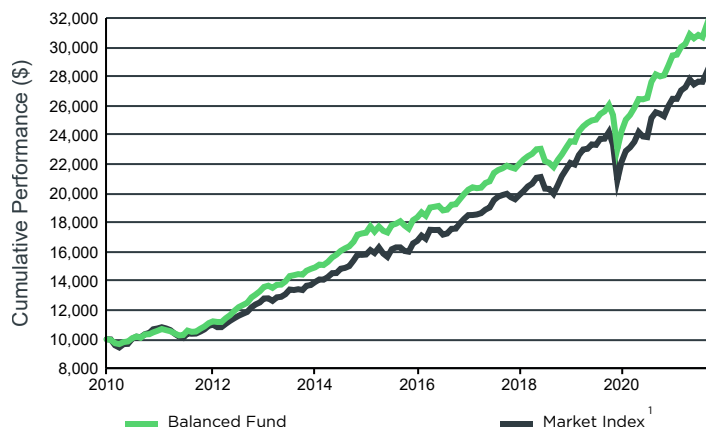
Volatility this month was caused by an abrupt change in tone from the US central bank, who now expect to raise interest rates to fight inflation having previously dismissed this threat. Tightening financial conditions are likely to continue to drive volatility in share markets this year. On the positive side, recent company results indicate profits remain robust and there are plenty of attractively valued companies to invest in. Top performers for the Fund last month were Virgin Money, Santos and Mastercard, up 8.2%, 13.2% and 7.7% respectively. This shows that even in down markets there are stocks that can still perform.

Volatility this year will provide plenty of opportunities to reposition the Fund and we will be actively changing positions to take advantage of changing prices and outlooks. This should help deliver stronger long run returns even if the short-term ride is bumpy.

To view Milford's February 2022 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

To provide capital growth over the minimum recommended investment timeframe

Description

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

Minimum recommended investment timeframe

5 years +

Target Allocation

39% Income Assets / 61% Growth Assets

Neutral FX Exposure

13.0%

Net Asset Value (NAV)

\$1,743.8 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

1.07% (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 January 2022

Investment Performance after fees as at 31 January 2022⁵

Unit Price: \$2.9107

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	-3.81%	-1.63%	8.33%	10.81%	9.53%	9.83%
After Tax 10.50%	-3.82%	-1.66%	8.18%	10.53%	9.20%	9.32%
After Tax 17.50%	-3.82%	-1.67%	8.08%	10.34%	8.98%	8.99%
After Tax 28.00%	-3.83%	-1.69%	7.93%	10.06%	8.66%	8.50%
Market Index ¹	-3.60%	-1.33%	7.22%	9.86%	9.18%	8.85%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	1.95%
Alphabet	1.27%
Microsoft	1.21%
Santos	1.10%
HCA Holdings	1.08%
Fisher & Paykel	1.06%
Spark	0.99%
Telstra	0.97%
EBOS Group	0.97%
NAB	0.96%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	11.31%	8.0%
New Zealand Fixed Interest	4.19%	6.0%
International Fixed Interest	23.13%	25.0%
New Zealand Equities	10.39%	12.0%
Australian Equities	14.29%	13.0%
International Equities	29.76%	29.0%
Listed Property	6.93%	7.0%
Other	0.00%	0.0%

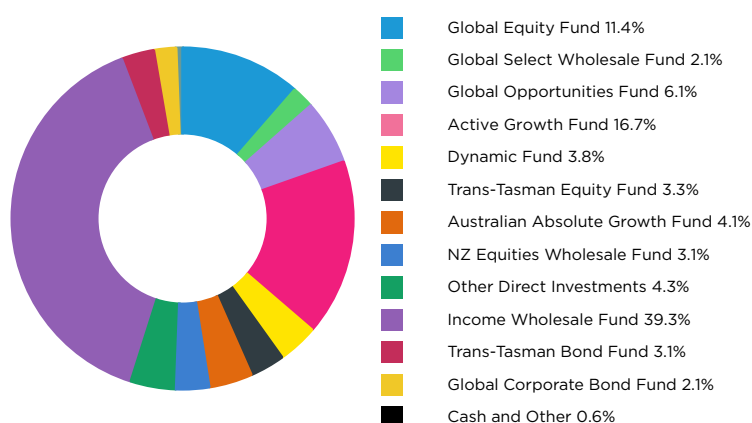
The actual cash held by the Fund is 10.70%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

Holdings	% of Fund
Scentre Group 5.125% 2080	0.55%
ING Groep 4.25% Perpetual	0.53%
NatWest 5.125% Perpetual	0.53%
NZ Govt. 0.5% 2026	0.46%
JPMorgan 5% 2024	0.39%
Scentre Group 4.75% 2080	0.37%
Kiwibank 1.3% 2022	0.37%
CBA Float 2031	0.37%
GAIF 2.584% 2027	0.37%
T-Mobile 3.375% 2029	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 for more information about the data published within this document.

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