

Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 January 2023



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 2.8% in January, bringing the one year return to 0.4%.

A cautious investment stance helped cushion the Fund through the market turmoil of last year, mitigating the falls in both bonds and shares. But the asset allocation mix also helped deliver positive returns when the markets rose. Better outcomes in the energy crisis in Europe and China's reopening boom have allayed fears of imminent global recession. This ignited shares in January, sending China-sensitive Australian shares up 6.2% to new all-time highs.

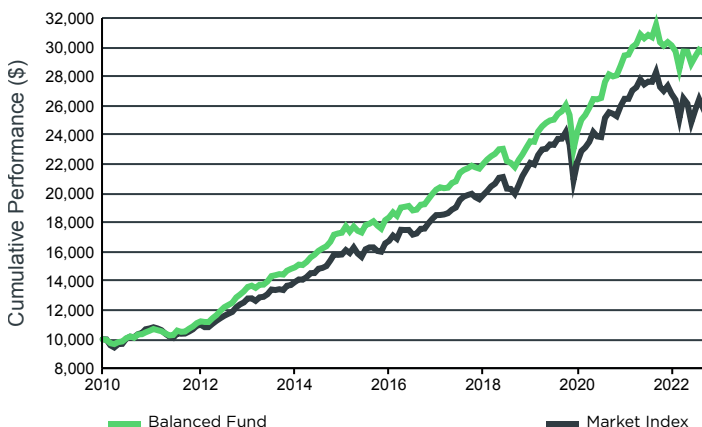
Whilst shares finished the month strongly, weakness early in the month enabled the Fund to add some exposure. January also saw strong rallies in bonds, notably corporate bonds, justifying the Fund's increased exposure to these assets over the past six months. Markets have priced in good news very quickly and we are wary that further volatility could be in store. Shares, in particular, look expensive compared to cash and bond returns, therefore the Fund retains a material underweight to shares.

Higher interest rates will start to impact economies so the outlook for economic growth remains skewed to the downside. This is particularly true for the NZ economy given the sensitivity to mortgage rates, so the Fund retains its lower NZ dollar exposure. Given the starting point of higher interest rates, long run returns continue to look reasonable. In the short term, we will continue to be nimble in navigating a complicated investment cycle.

To view Milford's February 2023 Market and Economic Review please see milfordasset.com/investor-centre.

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)	\$1,615.5 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	1.06% (includes an est. performance fee)

	Lower risk							Higher risk
Risk Indicator	1	2	3	4	5	6	7	
	Potentially lower returns				Potentially higher returns			

External Ratings



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

Balanced Fund as at 31 January 2023

Investment Performance after fees as at 31 January 2023⁵

Unit Price: \$2.9163

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	2.78%	3.68%	0.39%	5.36%	6.83%	9.06%
After Tax 10.50%	2.74%	3.56%	0.13%	5.12%	6.55%	8.58%
After Tax 17.50%	2.71%	3.48%	-0.04%	4.96%	6.37%	8.26%
After Tax 28.00%	2.67%	3.35%	-0.30%	4.73%	6.09%	7.79%
Market Index	3.97%	4.44%	-1.58%	3.51%	6.10%	7.99%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	2.13%
Shell	1.29%
Elevance Health	1.28%
Origin Energy	1.24%
Telstra	1.18%
HCA Holdings	1.17%
Natwest	1.10%
Spark	1.06%
Santos	1.00%
Boston Scientific	0.93%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	21.98%	8%
New Zealand Fixed Interest	6.74%	6%
International Fixed Interest	29.01%	25.0%
New Zealand Equities	7.91%	11%
Australian Equities	8.70%	13%
International Equities	20.39%	30%
Listed Property	4.90%	7%
Other	0.37%	0.0%

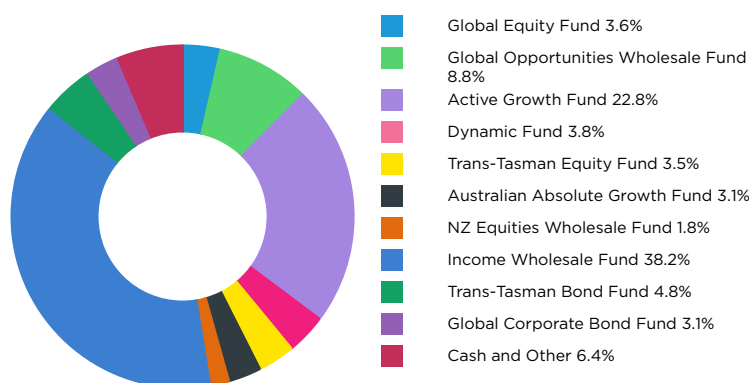
The actual cash held by the Fund is 6.39%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

Holdings	% of Fund
NZGBI 2% 2025	1.32%
NatWest 5.125% Perpetual	0.75%
Scentre Group 5.125% 2080	0.73%
CBA 5 2028	0.64%
ING Groep 4.25% Perpetual	0.50%
CBA 6.86 2032	0.47%
NBN Co 4.75% 2026	0.45%
AT&T 2.875% Perpetual	0.43%
Voyage Float 2029	0.42%
NAB 6.322% 2032	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 for more information about the data published within this document.

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