

# Balanced Fund

## Portfolio Investment Entity

### Monthly Fact Sheet as at 31 July 2023



## Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

In July, the Fund returned 1.1%, bringing the one-year return to 6.0%.

Global share markets continue to enjoy strong returns this year, an unexpected but welcome development. In particular, the US economy is enjoying strong growth, falling inflation and an expected boom in AI-driven profitability for its large technology companies. The Fund's exposure to shares has helped capture this performance with investments in technology companies such as Meta (owner of Facebook) and Micron Technologies (a US chip maker) delivering strong performance last month.

Exposure to Australian shares was boosted at the start of the month. The past few weeks' strength in commodity prices, and optimism around China stimulus, has seen the Australian market perform well.

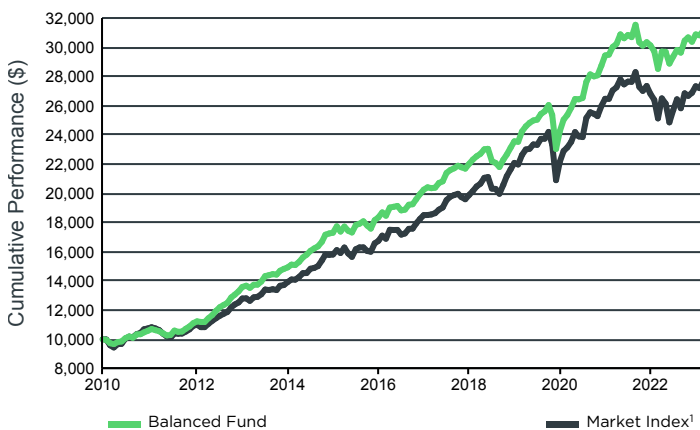
The Fund's corporate bonds did well last month, outperforming government bonds which continue to lag.

Different economies are experiencing diverging economic cycles, owing to different sensitivities to interest rate rises. For the Fund, with an ability to express views across countries in interest rates, currencies, and stock market exposure, this outlook should yield good asset allocation opportunities.

For now, the Fund retains its increased exposure to foreign currencies and has increased exposure to Australian government bonds vs US bonds. Share markets have likely priced in most of the good news, but we see opportunity to rotate to non-US stocks that have lagged in the most recent rally.

To view Milford's July 2023 Market and Economic Review please see [milfordasset.com/insights](http://milfordasset.com/insights).

## 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>                    | \$1,625.2 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



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

## Balanced Fund as at 31 July 2023

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

Unit Price: \$3.0116

|   | 1 Month | 3 Months | 1 year | 3 years (p.a.) | 5 years (p.a.) | Since inception (p.a.) |
|---|---------|----------|--------|----------------|----------------|------------------------|
| Milford Balanced Fund<br>(Gross Of Tax) | 1.14%   | 1.96%    | 5.99%  | 6.78%          | 6.76%          | 8.98%                  |
| After Tax 10.50%                        | 1.11%   | 1.95%    | 5.79%  | 6.55%          | 6.50%          | 8.51%                  |
| After Tax 17.50%                        | 1.08%   | 1.95%    | 5.66%  | 6.39%          | 6.33%          | 8.21%                  |
| After Tax 28.00%                        | 1.04%   | 1.94%    | 5.46%  | 6.15%          | 6.06%          | 7.75%                  |
| Market Index <sup>1</sup>               | 1.82%   | 3.11%    | 6.33%  | 6.21%          | 6.41%          | 8.08%                  |

### Top Equity Holdings

| Holdings                       | % of Fund |
|--------------------------------|-----------|
| Contact Energy                 | 1.99%     |
| Elevance Health                | 1.45%     |
| Spark                          | 1.44%     |
| HCA Holdings                   | 1.36%     |
| Shell                          | 1.35%     |
| Coca-Cola Europacific Partners | 1.22%     |
| Fiserv                         | 1.17%     |
| Bank of Ireland Group          | 1.07%     |
| Avantor                        | 1.01%     |
| Infratil                       | 0.99%     |

### Current Asset Allocation

|                              | Actual Investment Mix | Neutral Investment Mix |
|------------------------------|-----------------------|------------------------|
| Effective Cash #             | 17.80%                | 8%                     |
| New Zealand Fixed Interest   | 8.87%                 | 6%                     |
| International Fixed Interest | 27.50%                | 25.0%                  |
| New Zealand Equities         | 8.57%                 | 11%                    |
| Australian Equities          | 10.79%                | 13%                    |
| International Equities       | 21.57%                | 30%                    |
| Listed Property              | 4.66%                 | 7%                     |
| Other                        | 0.24%                 | 0.0%                   |

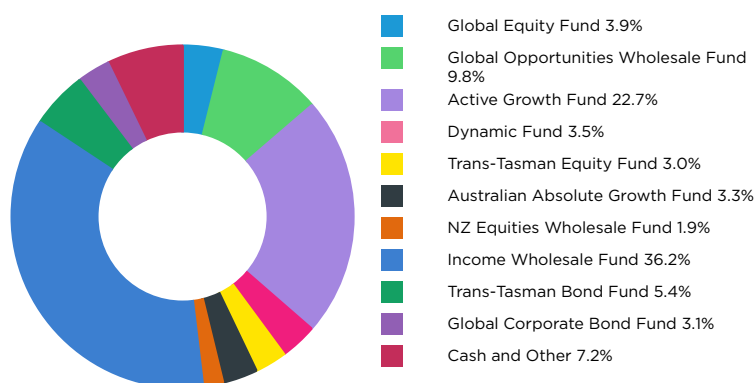
# The actual cash held by the Fund is 5.89%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

### Top Fixed Interest Holdings

| Holdings                   | % of Fund |
|----------------------------|-----------|
| NZGBI 2% 2025              | 2.21%     |
| Scentre Group 5.125% 2080  | 0.66%     |
| NatWest 5.125% Perpetual   | 0.59%     |
| Westpac 6.934% 2038        | 0.50%     |
| AT&T 2.875% Perpetual      | 0.48%     |
| British Telecommunications | 0.46%     |
| Telstra 4.9% 2028          | 0.45%     |
| Voyage Float 2029          | 0.41%     |
| Holcim 0.5% 2030           | 0.41%     |
| ING Groep 4.25% Perpetual  | 0.40%     |

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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