

# Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 June 2021



## Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

The Fund returned 1.8% in June, bringing the one-year return to 18.4%. The Fund's strategy has remained broadly stable for the past few months. The biggest tilt is a significantly reduced exposure to bonds as we think the yields on offer are very unattractive given the strong growth and high inflation backdrop. For the past few months bond yields have remained stable, anchoring the income part of the Fund and allowing the equity investments to perform.

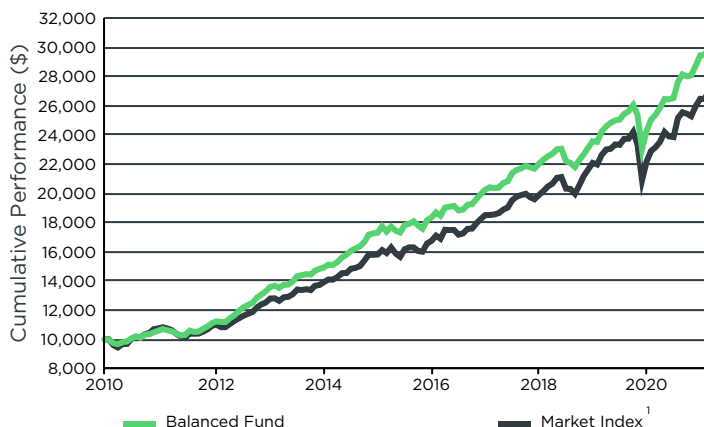
On the equity side, an overweight to shares has enabled the Fund to capture market returns and benefit from the good stock selection in the underlying Funds. In June, there was a resurgence in 'growth' companies such as online shopping platforms Shopify (+17.5%) and Amazon (+6.7%). Respirator companies ResMed (+20.8%) and Fisher & Paykel Healthcare (+4.5%) also were strong on the back of a product recall by a competitor.

Going forward we expect our increased holdings in banks in Australia and the UK to perform well. Earnings should improve as economies reopen and banks tend to benefit as interest rates rise. Looking ahead we continue to stick to our playbook. Growth is peaking and market interest rates should drift higher. This only slightly dulls what remains a very favourable backdrop for investing.

To view Milford's July 2021 Market and Economic Review please see [milfordasset.com/fact-sheet](http://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

**Objective<sup>2</sup>** 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)** \$1,509.8 M

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

**Inception Date** 1 April 2010

**Benchmark** Not applicable

**Base Fund Fee<sup>3</sup>** 1.07%

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

**Total Fund Fees<sup>4</sup>** 1.07% (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 30 June 2021

### Investment Performance after fees as at 30 June 2021<sup>5</sup>

Unit Price: \$2.8825

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	1.78%	4.45%	18.36%	10.03%	10.21%	10.26%
After Tax 10.50%	1.81%	4.44%	18.00%	9.71%	9.82%	9.74%
After Tax 17.50%	1.83%	4.43%	17.76%	9.49%	9.56%	9.39%
After Tax 28.00%	1.86%	4.42%	17.39%	9.17%	9.17%	8.88%
Market Index <sup>1</sup>	2.18%	4.12%	16.86%	9.73%	9.88%	9.24%

### Top Equity Holdings

Holdings	% of Fund
Contact Energy	2.08%
Fisher & Paykel	1.57%
Spark	1.47%
Microsoft	1.23%
Alphabet	1.21%
Telstra	1.14%
Virgin Money	1.05%
Meridian	1.01%
Summerset	0.96%
Westpac	0.93%

### Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash <sup>#</sup>	12.51%	8.00%
New Zealand Fixed Interest	3.58%	6.00%
International Fixed Interest	20.93%	25.00%
New Zealand Equities	12.79%	12.00%
Australian Equities	14.66%	13.00%
International Equities	30.02%	29.00%
Listed Property	5.51%	7.00%
Other	0.00%	0%

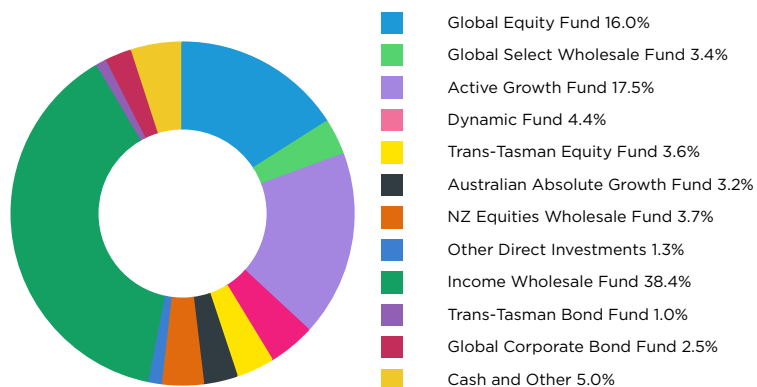
<sup>#</sup> The actual cash held by the Fund is 11.24%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

### Top Fixed Interest Holdings

Holdings	% of Fund
Scentre Group 5.125% 2080	0.83%
Martin Marietta 3.2% 2051	0.37%
Wesfarmers 1.941% 2028	0.36%
Mirvac Group 3.625% 2027	0.34%
ASB Bank 5.25% 2026	0.33%
Aventus Float 2025	0.28%
NZLGFA 1.5% 2026	0.27%
Westpac 4.695% 2026	0.27%
Ericsson 1% 2029	0.27%
AusNet Float 2080	0.25%

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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