

Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 March 2022



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 0.8% in March, bringing the 1-year return to 5.6%. The rally in shares from the middle of the month was enough to deliver a positive performance, more than offsetting the losses from bonds.

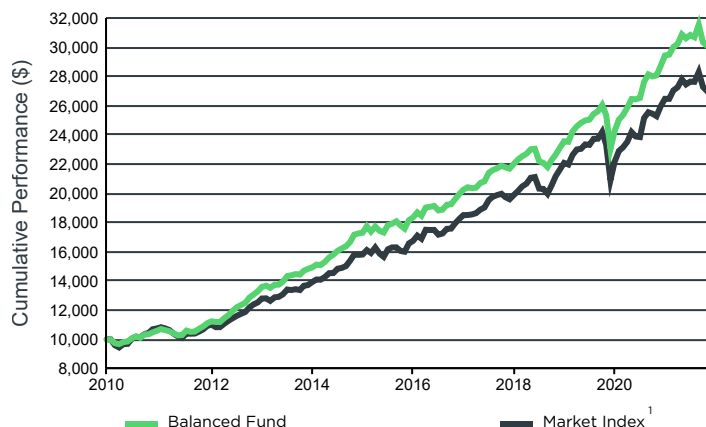
Australian shares were an outperformer, benefitting the Fund's significant holdings there. Banks such as NAB (+11.8%) and resource companies such as lithium and nickel miner IGO (+29.4%) were standouts. On the global side, our infrastructure investments into companies like road and airport operator Atlantia (+15.2%) have been working well. Whilst the recent rally in shares is welcome, we think it sits rather at odds with the broader outlook. High inflation is prompting aggressive action from central banks who will hike rates significantly this year. We are just at the start of this process and whilst economic momentum is currently strong, high inflation and rising interest rates put growth and profits at risk.

In response to this, the Fund has been making significant changes this year. Broad share market exposure has been reduced, particularly in the US and NZ. More recently, significant investments have been made into the NZ bond market as yields on offer here are now more attractive. With so much uncertainty around the outlook, volatility will likely continue. This lends itself to being more defensive but also more nimble, whilst maintaining a core position of high conviction company investments.

To view Milford's April 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)	\$1,732.8 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	1.06% (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 March 2022

Investment Performance after fees as at 31 March 2022⁵

Unit Price: \$2.9103

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	0.79%	-3.78%	5.60%	9.49%	8.76%	9.69%
After Tax 10.50%	0.82%	-3.80%	5.49%	9.22%	8.45%	9.20%
After Tax 17.50%	0.83%	-3.82%	5.42%	9.04%	8.24%	8.87%
After Tax 28.00%	0.86%	-3.84%	5.31%	8.78%	7.94%	8.38%
Market Index ¹	1.26%	-3.35%	5.30%	8.12%	8.44%	8.74%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	2.18%
Santos	1.21%
HCA Holdings	1.03%
Microsoft	1.00%
Telstra	1.00%
Spark	1.00%
Alphabet	0.98%
Charter Hall Retail	0.90%
Virgin Money	0.85%
Anthem	0.83%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	25.02%	8.0%
New Zealand Fixed Interest	6.04%	6.0%
International Fixed Interest	23.77%	25.0%
New Zealand Equities	9.15%	12.0%
Australian Equities	11.68%	13.0%
International Equities	17.19%	29.0%
Listed Property	6.92%	7.0%
Other	0.23%	0.0%

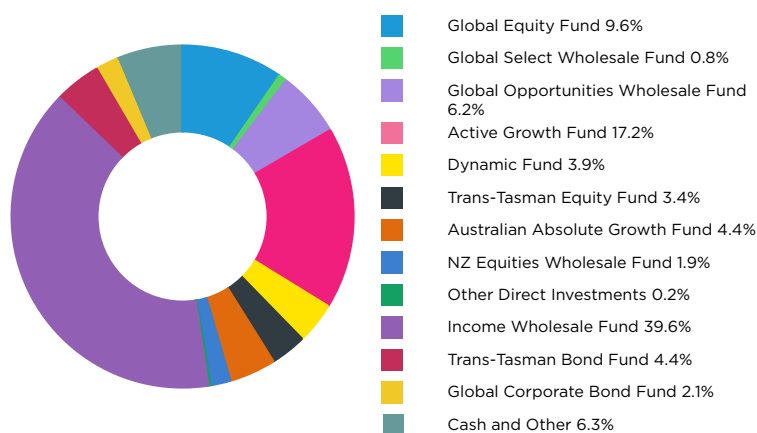
The actual cash held by the Fund is 11.22%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

Holdings	% of Fund
NZGBI 2% 2025	1.31%
NatWest 5.125% Perpetual	0.55%
Scentre Group 5.125% 2080	0.49%
ING Groep 4.25% Perpetual	0.49%
Westpac 3.696% 2027	0.45%
CBA Float 2031	0.37%
GAIF 2.584% 2027	0.36%
Voyage Float 2029	0.35%
Macquarie 3.231% 2025	0.35%
NAB 2.9% 2027	0.34%

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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