

Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 May 2021



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 0.2% in May with a one-year return of 17.8%. After a frenetic 18 months, May was a relatively sedate month in markets. Many of the themes we have been expecting have already largely played out and investors, including ourselves, are waiting to see what will happen next.

The backdrop remains very supportive, including strong economic growth and policy makers intent on maintaining that strength. On the flip side, surging inflation means central bankers may have to start discussing how they will tighten monetary policy in the next few months. For this reason, bonds remain unattractive investments and the Fund is underweight in these assets. Shares are moderately expensive, but they benefit from the good backdrop and also from the fact that there are few alternatives to deliver reasonable investment returns.

Milford's investment team continue to find attractively valued companies. In May, examples of this were the Australian banks such as CBA which rallied 12.0%. Gold miners were also strong and key holding Evolution Mining delivered a 16.8% return in the month. Attractive investments such as these allow us to remain invested, whilst at the same time having flexibility to deal with a change in the outlook.

To view Milford's June 2021 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 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)	\$1,404.8 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	1.08% (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 31 May 2021

Investment Performance after fees as at 31 May 2021⁵

Unit Price: \$2.8327

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	0.20%	5.05%	17.78%	9.75%	9.55%	10.17%
After Tax 10.50%	0.17%	5.01%	17.31%	9.43%	9.15%	9.64%
After Tax 17.50%	0.15%	4.99%	17.00%	9.22%	8.88%	9.29%
After Tax 28.00%	0.12%	4.95%	16.53%	8.90%	8.48%	8.77%
Market Index ¹	-0.01%	4.68%	15.59%	9.50%	9.13%	9.11%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	2.27%
Fisher & Paykel	1.58%
Spark	1.56%
Alphabet	1.15%
Telstra	1.10%
NAB	1.08%
Microsoft	1.07%
Meridian	1.01%
Virgin Money	0.97%
Mainfreight	0.95%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	13.18%	8.00%
New Zealand Fixed Interest	3.88%	6.00%
International Fixed Interest	19.91%	25.00%
New Zealand Equities	13.32%	12.00%
Australian Equities	15.57%	13.00%
International Equities	28.10%	29.00%
Listed Property	5.19%	7.00%
Other	0.85%	0%

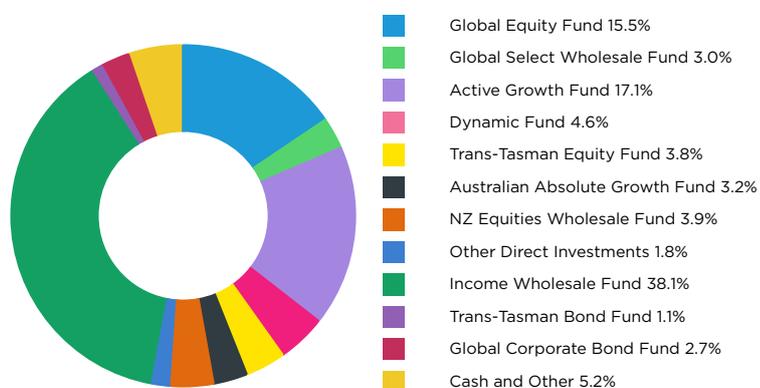
The actual cash held by the Fund is 12.64%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

Holdings	% of Fund
Scentre Group 5.125% 2080	0.81%
ASB Bank 5.25% 2026	0.35%
Mirvac Group 3.625% 2027	0.34%
Aventus Float 2025	0.29%
NZLGFA 1.5% 2026	0.29%
Westpac 4.695% 2026	0.27%
Ericsson 1% 2029	0.27%
AusNet Float 2080	0.26%
Victoria Power 1.603% 2026	0.25%
CBA Float 2030	0.24%

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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