

Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 May 2023



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned -0.2% in May, with a one-year return of 3.7%. The muted monthly performance masks an awful lot going on under the surface, and it just so happens it all came out in the wash last month.

Broad shares and bonds traded lower on the month. Share markets would have been lower had it not been for the strong performance of a limited number of perceived artificial intelligence (AI) beneficiaries. The Fund has exposure to this trend via Google (+14.5%), Microsoft (+7.1%) and Amazon (+14.3%). Stock picking helped in Australia too, with standout performance from Allkem (+21.2%), Xero (+17.8%) and Gentrack (+34.2%).

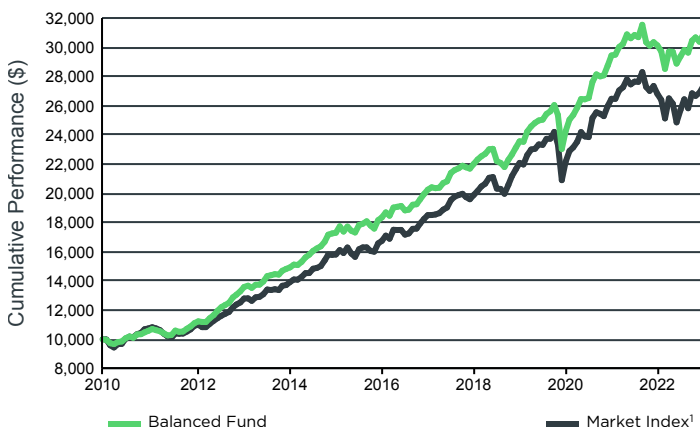
Whilst the global bond market was soft in May, the Fund's holdings outperformed, as bank bonds continued to rally in the aftermath of the banking crisis. The announcement from the RBNZ that it has completed its hiking cycle surprised markets. The Fund benefitted significantly from the resultant fall in the NZ dollar, as around 31.7% of the Fund is currently exposed to foreign currencies.

The Fund's positioning remains quite far from neutral, reflecting current asset class risk-reward metrics. Cash and short-term bonds look attractive, whilst performance in shares is more likely to be delivered by stock selection than broad market gains going forward.

To view Milford's May 2023 Market and Economic Review please see 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

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)	\$1,601.0 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 May 2023

Investment Performance after fees as at 31 May 2023⁵

Unit Price: \$2.949

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	-0.19%	0.47%	3.70%	7.17%	6.68%	8.92%
After Tax 10.50%	-0.23%	0.46%	3.45%	6.89%	6.41%	8.45%
After Tax 17.50%	-0.26%	0.46%	3.28%	6.71%	6.23%	8.13%
After Tax 28.00%	-0.30%	0.46%	3.03%	6.44%	5.97%	7.67%
Market Index ¹	-0.47%	2.00%	3.04%	5.91%	6.18%	7.89%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	1.98%
Elevance Health	1.38%
Spark	1.29%
HCA Holdings	1.27%
Coca-Cola	1.22%
Shell	1.13%
Avantor	1.01%
CSL	0.85%
Ameren	0.84%
Telstra	0.83%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash [#]	23.97%	8%
New Zealand Fixed Interest	8.13%	6%
International Fixed Interest	28.14%	25.0%
New Zealand Equities	8.23%	11%
Australian Equities	9.99%	13%
International Equities	17.15%	30%
Listed Property	4.39%	7%
Other	0.00%	0.0%

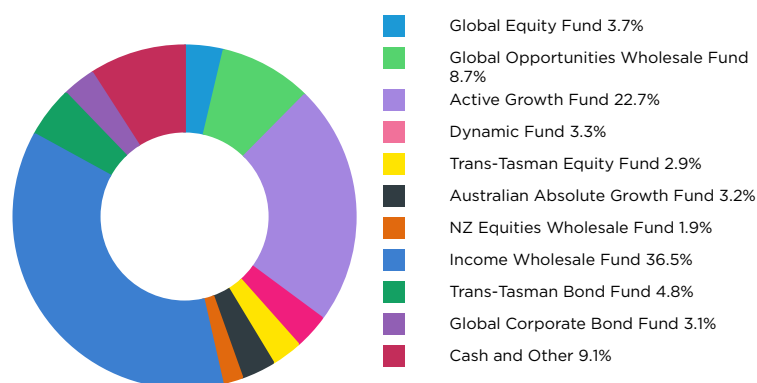
[#] The actual cash held by the Fund is 7.29%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

Holdings	% of Fund
NZGBI 2% 2025	2.26%
Scentre Group 5.125% 2080	0.71%
NatWest 5.125% Perpetual	0.63%
ANZ Float 2033	0.56%
CBA 6.704% 2038	0.55%
AT&T 2.875% Perpetual	0.50%
TESAG 4.9% 2028	0.46%
CBA 5% 2028	0.45%
Contact 5.62% 2029	0.44%
Voyage Float 2029	0.44%

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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