

# Balanced Fund

## Portfolio Investment Entity

### Monthly Fact Sheet as at 31 May 2024



## Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

The Fund returned 0.3% in May, with a one-year return of 9.7%. Fund performance was lifted by the rebound in both bond and share markets after the declines in April. The lift in shares was dominated by global shares. The Fund had a number of winners on this front, and it is encouraging to see some of the larger positions (such as healthcare stocks HCA and Elevance, and UK bank NatWest Group) accumulating solid gains over the past few months. Last month saw the RBNZ surprise investors by suggesting they could hike rates further, even as it is clear the domestic economy is struggling. This caused a squeeze in the NZ dollar, and local bond and share markets to fall. We continue to expect interest rate cuts (and potentially sharp ones) later this year, so have added to NZ bond positions as well as retaining our short exposure in the NZ dollar.

In the face of a weaker domestic share market, it was pleasing to see our key NZ share holding - Contact Energy - rally on positive news about the extension of the Tiwai Point Aluminium Smelter operating contract.

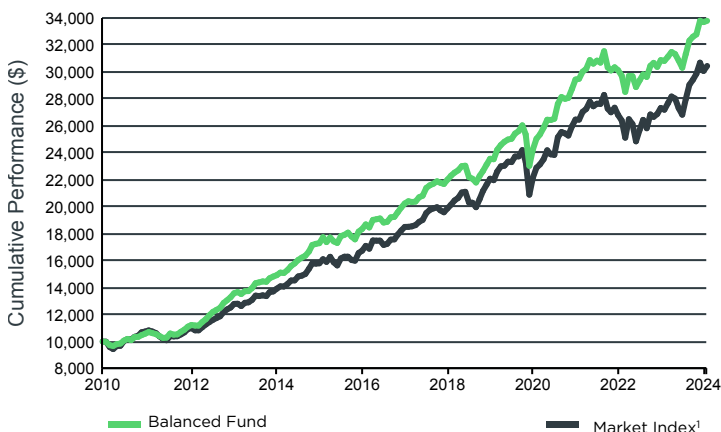
The outlook is getting murkier as sticky inflation and the US election create uncertainty about policy, against a backdrop of modestly expensive share markets. The return outlook continues to be bolstered by solid income from our bond holdings.

To view Milford's May 2024 Market and Economic Review please see [milfordasset.com/insights](http://milfordasset.com/insights).

For previous fund reports see [milfordasset.com/fund-reports](http://milfordasset.com/fund-reports).

## 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>	\$1,708.8 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



The Milford Balanced Fund has a Morningstar Medalist Rating™ of 'Silver' as of 6-09-2023

## Balanced Fund as at 31 May 2024

### Investment Performance after fees as at 31 May 2024<sup>5</sup>

Unit Price: \$3.228

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	0.29%	3.07%	9.65%	4.64%	7.51%	8.97%
After Tax 10.50%	0.27%	2.94%	9.18%	4.36%	7.19%	8.50%
After Tax 17.50%	0.26%	2.85%	8.87%	4.18%	6.98%	8.18%
After Tax 28.00%	0.25%	2.72%	8.41%	3.90%	6.66%	7.72%
Market Index <sup>1</sup>	1.24%	1.96%	11.94%	4.78%	6.74%	8.17%

### Top Equity Holdings

Holdings	% of Fund
Contact Energy	2.00%
Shell	1.73%
Spark	1.46%
HCA Holdings	1.44%
Coca-Cola Europacific Partners	1.39%
Elevance Health	1.22%
Bank of Ireland Group	1.12%
Telstra	1.08%
Santos	0.92%
CRH	0.89%

### Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	18.71%	8%
New Zealand Fixed Interest	8.48%	6%
International Fixed Interest	25.01%	25.0%
New Zealand Equities	8.59%	10.5%
Australian Equities	10.59%	13.5%
International Equities	24.41%	30%
Listed Property	3.80%	7%
Other	0.41%	0.0%

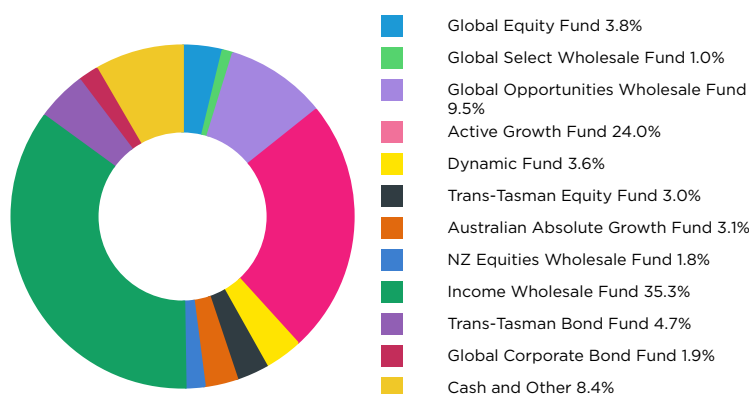
# The actual cash held by the Fund is 7.50%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

### Top Fixed Interest Holdings

Holdings	% of Fund
NZGBI 2% 2025	2.63%
ANZ 4.95% 2029	0.70%
Scentre Group 5.125% 2080	0.63%
Westpac 5.754% 2034	0.57%
NatWest 5.125% Perpetual	0.52%
British Telecommunications 8.375% 2083	0.47%
Westpac 5.1% 2029	0.41%
Suncorp 4.75% 2029	0.39%
Bank of Ireland 7.594% 2032	0.38%
AT&T 2.875% Perpetual	0.38%

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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