

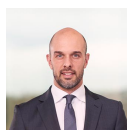
# Balanced Fund

## Portfolio Investment Entity

### Monthly Fact Sheet as at 31 October 2023



## Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

The Fund returned -1.8% in October, bringing the one-year return to 3.2%. For the third month in a row, we had broadly weaker share markets, coupled with weaker bond markets – particularly long-term bonds. The Fund has been positioned to cushion against the risk of this type of price action, with a much-reduced exposure to shares (around 20% lower) and an aversion to owning longer-term bonds. As a result, the Fund has cushioned some of the negative performance from moves in underlying asset prices in the past three months, including October.

Falling bond and share prices are offering some compelling investment opportunities. Concerns over global economic weakness temper enthusiasm for shares, but cheaper valuations have allowed for a modest increase in share exposure. Meanwhile, we continue to be excited about the return opportunities in intermediate term (2-5 year) corporate bonds. Yields of 7, 8 or 9% are the kind of long run returns that shares tend to offer (global shares have rallied 7% per year on average for the past 30 years). Yet, these bonds have much lower volatility compared to shares, and if we do have economic weakness, these bonds will likely fare much better as their performance is less tied to short-term earnings fluctuations.

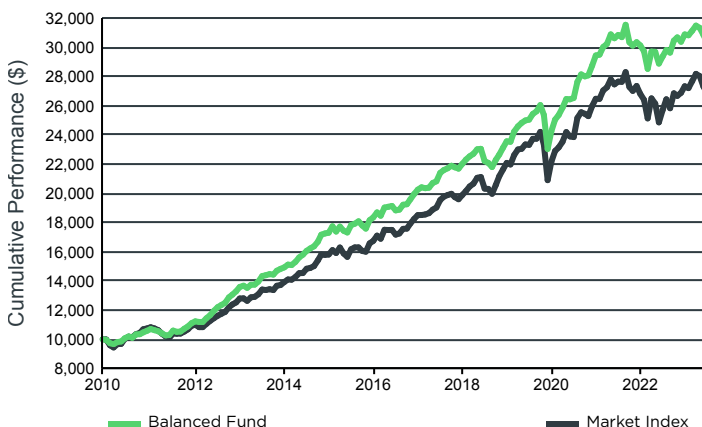
The Fund continues to find opportunities in currencies and interest rate positions across different regions, as global economies continue to diverge.

To view Milford's October 2023 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</b> <sup>2</sup>	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>	\$1,551.1 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</b> <sup>3</sup>	1.05%
<b>Performance Fee</b>	The Fund may invest into related Milford funds that charge performance fees.
<b>Total Fund Fees</b> <sup>4</sup>	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 October 2023

### Investment Performance after fees as at 31 October 2023<sup>5</sup>

Unit Price: \$2.8978

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	-1.76%	-3.72%	3.20%	4.55%	6.43%	8.50%
After Tax 10.50%	-1.78%	-3.91%	2.84%	4.28%	6.14%	8.03%
After Tax 17.50%	-1.80%	-4.03%	2.60%	4.11%	5.95%	7.72%
After Tax 28.00%	-1.82%	-4.22%	2.24%	3.84%	5.66%	7.26%
Market Index <sup>1</sup>	-1.79%	-4.79%	4.37%	4.01%	5.72%	7.53%

### Top Equity Holdings

Holdings	% of Fund
Contact Energy	1.89%
Shell	1.62%
Spark	1.59%
Elevance Health	1.43%
HCA Holdings	1.42%
Coca-Cola Europacific Partners	1.31%
Fiserv	1.16%
Bank of Ireland Group	1.07%
Telstra	1.04%
Goodman	0.93%

### Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	16.59%	8%
New Zealand Fixed Interest	9.71%	6%
International Fixed Interest	28.64%	25.0%
New Zealand Equities	8.32%	11%
Australian Equities	12.87%	13%
International Equities	19.96%	30%
Listed Property	3.91%	7%
Other	0.00%	0.0%

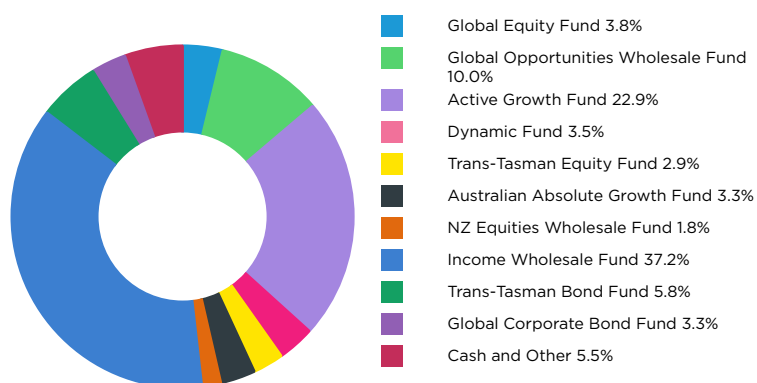
# The actual cash held by the Fund is 5.09%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

### Top Fixed Interest Holdings

Holdings	% of Fund
NZGBI 2% 2025	2.39%
Scentre Group 5.125% 2080	0.71%
BNZ 5.87% 2028	0.67%
NatWest 5.125% Perpetual	0.57%
AT&T 2.875% Perpetual	0.53%
British Telecommunications	0.50%
Telstra 4.9% 2028	0.48%
CBA 4.9% 2028	0.46%
Voyage Float 2029	0.45%
Bank of Ireland 7.594% 2032	0.43%

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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