

Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 September 2022



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned -2.7% in the month bringing the 1-year return to -5.7%. Shares and bonds continued their path lower in September with both reaching new lows for the year. The Fund's defensive investment position helped cushion the falls, particularly in shares where the Fund is only 35-40% invested (meaningfully below the neutral position of 60%).

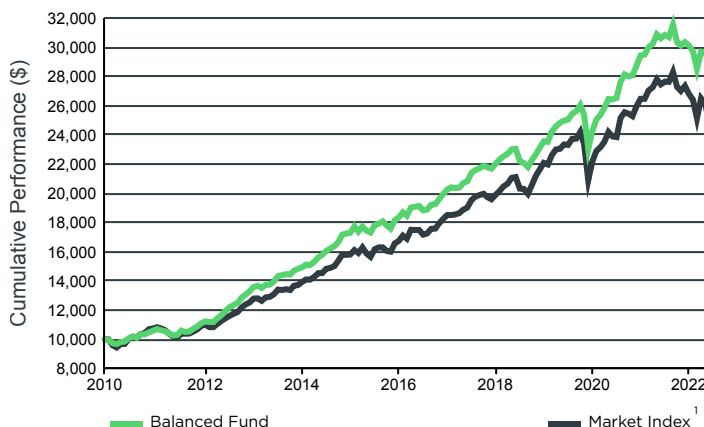
Sharp falls in bonds mean that yields on even government bonds are now looking the most attractive in years - over 4% in the US and NZ. As a result, the Fund has added back some interest rate exposure via government bonds this month. We continue to like corporate bonds, many of which are offering yields of 6-10%. Last month, global central banks maintained their focus on inflation by hiking interest rates at a rapid pace. This is increasingly weighing on the outlook. Whilst consumer spending and company profits have held up remarkably well this year, we do expect both to deteriorate over the coming months as rising costs of living and higher interest rates start to bite.

An uncertain outlook means the Fund will likely stay more cautiously positioned in shares for the time being. That said, market volatility is providing some attractive entry points in the shares of companies that we continue to like for the longer term. Those companies will benefit from some enduring themes such as healthcare and decarbonisation.

To view Milford's October 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)	\$1,596.2 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 30 September 2022

Investment Performance after fees as at 30 September 2022⁵

Unit Price: \$2.7664

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	-2.72%	1.27%	-5.67%	4.94%	6.77%	8.85%
After Tax 10.50%	-2.79%	1.10%	-5.90%	4.66%	6.46%	8.36%
After Tax 17.50%	-2.83%	0.98%	-6.06%	4.47%	6.26%	8.04%
After Tax 28.00%	-2.90%	0.81%	-6.29%	4.18%	5.96%	7.56%
Market Index ¹	-4.91%	-1.08%	-9.47%	2.11%	5.49%	7.55%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	2.31%
HCA Holdings	1.27%
Boston Scientific	1.12%
Elevance Health	1.07%
Telstra	1.02%
Bristol-Myers Squibb	0.99%
Santos	0.93%
Natwest	0.91%
JPMorgan	0.89%
CSL	0.86%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	30.60%	8.00%
New Zealand Fixed Interest	7.32%	6.00%
International Fixed Interest	27.70%	25.0%
New Zealand Equities	7.82%	11.00%
Australian Equities	5.28%	13.00%
International Equities	15.97%	30.0%
Listed Property	5.31%	7.00%
Other	0.00%	0.0%

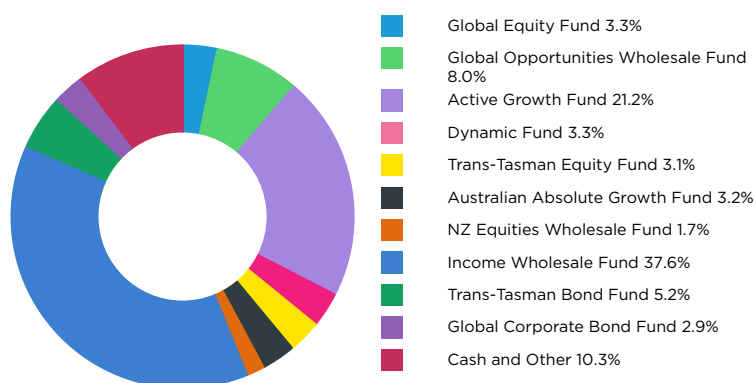
The actual cash held by the Fund is 9.68%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

Holdings	% of Fund
NZGBI 2% 2025	1.35%
Scentre Group 5.125% 2080	0.77%
NatWest 5.125% Perpetual	0.67%
NBN Co 4.75% 2026	0.56%
ING Groep 4.25% Perpetual	0.51%
Voyage Float 2029	0.49%
Westpac 6.19% 2032	0.45%
Westpac 5% 2027	0.41%
NAB 6.322% 2032	0.41%
CBA 4.40% 2027	0.41%

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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