

# Balanced Fund

## Portfolio Investment Entity

### Monthly Fact Sheet as at 30 September 2023



#### Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

The Fund returned -1.5% in September, bringing the one-year return to 6.8%.

September was a weak month for all assets, with bonds and shares falling and continuing the trend of the quarter. Investors are coming to terms with a normalisation in interest rates, after an abnormal post-GFC period where interest rates were kept extraordinarily low.

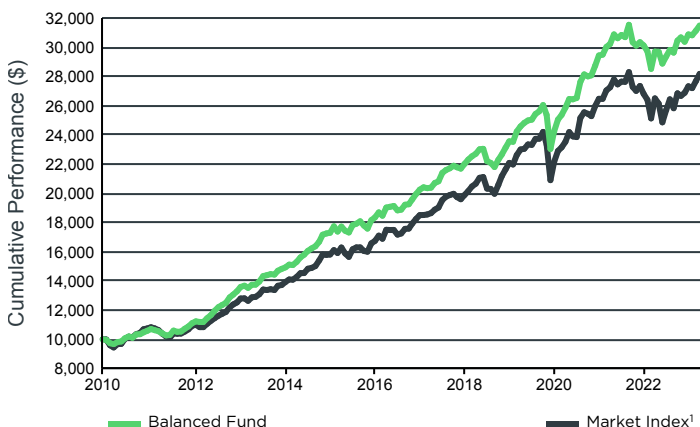
In bonds, the falls were concentrated in longer-dated bonds, an area where we don't have a lot of exposure. The increasingly attractive yields we are getting on our shorter-dated bonds increases our conviction in their returns going forward, and the Fund has been increasing its allocation to these assets. Losses in the share market were cushioned by significantly reduced exposure to shares. This underweight was increased in size over the last quarter but, given the declines in Australian and global shares, we have taken the opportunity to add some exposure back.

The outlook is complicated. The US economy is very resilient and this is driving higher long-term interest rates. In turn, this is weighing on activity in the rest of the world that is a lot more interest-rate sensitive. The outlook for returns continues to be boosted by the strong returns available from the bonds we hold. The outlook for shares is more mixed, but we continue to have conviction in the companies we own.

To view Milford's September 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<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>	\$1,591.0 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 30 September 2023

### Investment Performance after fees as at 30 September 2023<sup>5</sup>

Unit Price: \$2.9498

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	-1.51%	-0.87%	6.84%	5.29%	6.01%	8.70%
After Tax 10.50%	-1.60%	-1.08%	6.59%	5.01%	5.73%	8.23%
After Tax 17.50%	-1.66%	-1.22%	6.43%	4.83%	5.54%	7.92%
After Tax 28.00%	-1.75%	-1.43%	6.18%	4.55%	5.25%	7.45%
Market Index <sup>1</sup>	-2.52%	-1.28%	9.91%	4.57%	5.29%	7.73%

### Top Equity Holdings

Holdings	% of Fund
Contact Energy	1.83%
Shell	1.52%
Spark	1.49%
Elevance Health	1.39%
Coca-Cola Europacific Partners	1.29%
HCA Holdings	1.28%
Bank of Ireland Group	1.09%
Telstra	1.04%
Fiserv	1.04%
Avantor	0.97%

### Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash <sup>#</sup>	16.81%	8%
New Zealand Fixed Interest	9.70%	6%
International Fixed Interest	26.77%	25.0%
New Zealand Equities	8.50%	11%
Australian Equities	11.80%	13%
International Equities	21.57%	30%
Listed Property	4.24%	7%
Other	0.61%	0.0%

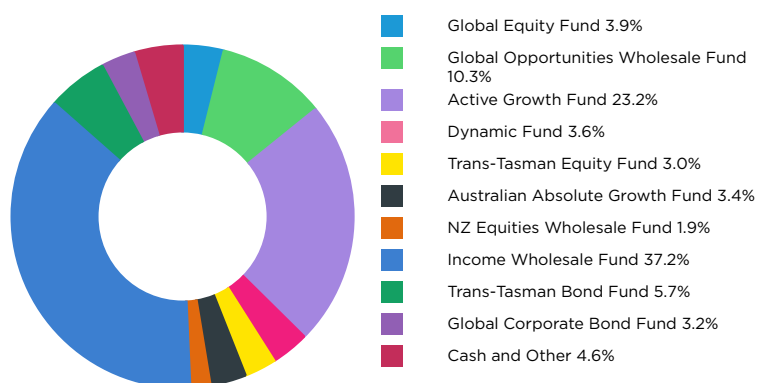
<sup>#</sup> The actual cash held by the Fund is 5.45%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

### Top Fixed Interest Holdings

Holdings	% of Fund
NZGBI 2% 2025	2.27%
Scentre Group 5.125% 2080	0.67%
BNZ 5.87% 2028	0.65%
CBA 4.9% 2028	0.55%
NatWest 5.125% Perpetual	0.55%
AT&T 2.875% Perpetual	0.49%
British Telecommunications	0.46%
Telstra 4.9% 2028	0.45%
Voyage Float 2029	0.41%
Bank of Ireland 7.594% 2032	0.40%

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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