

Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 September 2024



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 0.7% in September, taking the 1-year return to 13.5%. Last month continued the string of solidly positive returns. Both stocks and bonds contributed to the move, as policy-maker actions continue to support markets. A 0.5% cut to the US interest rate, alongside cuts from other central banks, is supporting bond prices.

Meanwhile, China unleashed a raft of policy measures aimed at stabilising the property sector. These policy measures are driving returns of asset markets, even as both stocks and bonds look expensive on a variety of metrics. Share markets continue to march higher, and our stock selections are driving good returns across a range of geographies and sectors.

In NZ, infrastructure investment company Infratil (+11.0%) was a standout in a NZ market that struggled last month, as corporates raised capital. In Australia, BHP rallied 17.3% on the back of China policy support. In the global space we saw good returns from IT sector picks AppLovin (+40.6%) and Salesforce (+8.4%) as well as Spanish airport operator Aena (+8.2%). Bond markets also delivered gains last month, but bond pricing reveals aggressive expectations of more interest rate cuts ahead. This leaves longer term bonds, particularly in the US, looking less attractive from a valuation perspective. Accordingly, the Fund remains underweight bonds, and exposure is concentrated in shorter-term maturities.

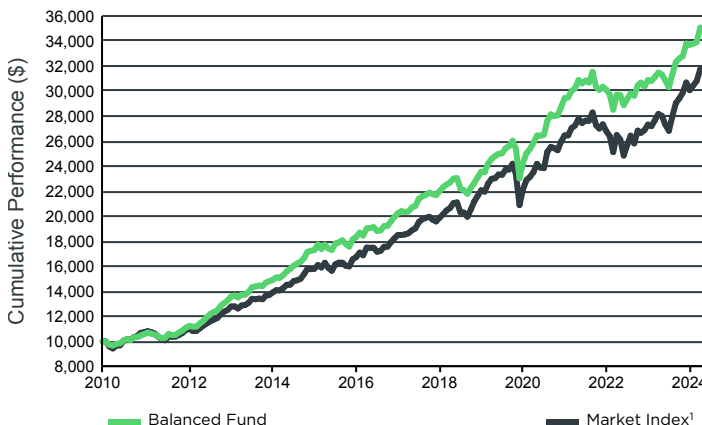
Supportive policy and falling inflation are clear positives, but rising geopolitical risk and the looming US election portend a likely choppy period ahead for markets. Elevated valuations of shares are a poor predictor of short-term returns, but they do mean we have to be more discerning in our stock picks. For now, we continue to find reasonably valued companies to invest in.

To view Milford's September 2024 Market and Economic Review please see milfordasset.com/insights.

For previous fund reports see 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

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)	\$1,906.9 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



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

Balanced Fund as at 30 September 2024

Investment Performance after fees as at 30 September 2024⁵

Unit Price: \$3.341

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	0.65%	3.26%	13.47%	4.57%	6.98%	9.02%
After Tax 10.50%	0.63%	3.12%	12.95%	4.25%	6.65%	8.55%
After Tax 17.50%	0.62%	3.02%	12.60%	4.03%	6.44%	8.23%
After Tax 28.00%	0.61%	2.88%	12.09%	3.70%	6.12%	7.77%
Market Index ¹	1.24%	4.68%	18.04%	5.51%	6.67%	8.41%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	1.86%
Infratil	1.42%
Microsoft	1.31%
CRH	1.29%
Coca-Cola Europacific Partners	1.18%
Shell	1.15%
Telstra	1.11%
Amazon	0.94%
Elevance Health	0.93%
Spark	0.86%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash [#]	13.81%	8%
New Zealand Fixed Interest	7.53%	6%
International Fixed Interest	24.91%	25.0%
New Zealand Equities	8.00%	10.5%
Australian Equities	11.14%	13.5%
International Equities	29.54%	30%
Listed Property	4.80%	7%
Other	0.27%	0.0%

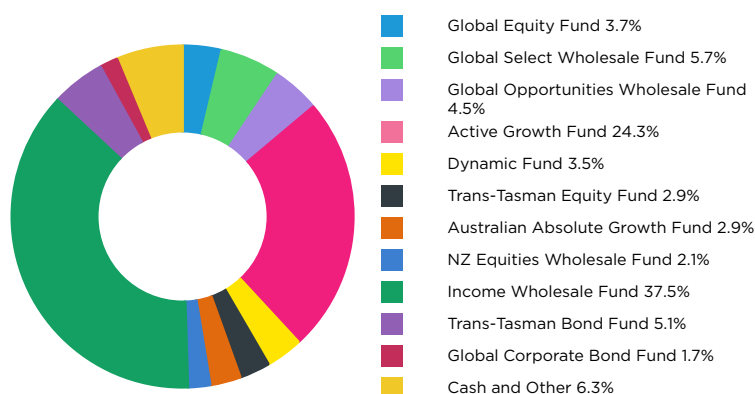
[#] The actual cash held by the Fund is 9.41%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

Holdings	% of Fund
NZGBI 2% 2025	0.76%
Origin Energy 5.35% 2031	0.68%
Scentre Group 5.125% 2080	0.59%
ANZ 4.95% 2029	0.52%
Westpac 5.754% 2034	0.49%
NatWest 5.125% Perpetual	0.45%
Westpac 5.1% 2029	0.44%
NZLGFA 4.5% 2030	0.40%
Bank of Ireland 7.594% 2032	0.37%
Contact 6.398% 2030	0.37%

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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