

Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 March 2019



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 2.1% in the month, with a 1-year return of 6.6%. Global share markets have recovered much of their losses of late 2018. Coincidentally, economic data has shown growth stabilising whilst central banks have signalled less interest rate hikes or even cuts.

These changes have given us more confidence in the market outlook and so the Fund has been adding back exposure to growth assets. This has primarily been in NZ shares as they benefit from lower interest rates and there is less economic uncertainty compared to offshore. Further additions to US shares have also been made as these will also benefit from the stabilisation in growth.

Finally, the Fund has also been increasing its Australian share exposure, which has been underweight recently. Much of the share investments have been made by the underlying funds into high dividend paying 'income' stocks. These are likely to continue to see demand from investors seeking returns higher than cash in an uncertain growth environment.

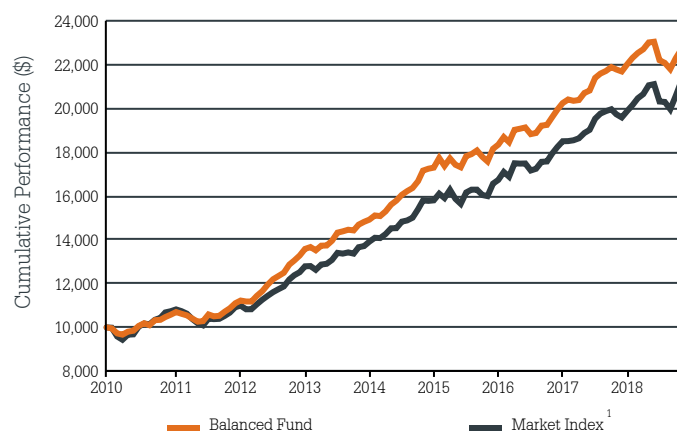
Our more positive short-term view on shares is tempered by the fact we are in the later stages of the global economic cycle. At some point global growth is

likely to materially slow and central banks are already at a cautious setting meaning policy response may be less effective. This combined with the ongoing short-term risks from the US-China trade war means the Fund remains slightly defensively positioned.

To view Milford's April 2019 Market and Economic Review please [click here](#).

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	Capital growth over a minimum of five years
Description	Diversified fund that primarily invests in equities, with a significant allocation to fixed interest securities
Target Allocation	39% Income Assets / 61% Growth Assets
Neutral FX Exposure	12.5%
Net Asset Value (NAV)	\$606.1 M
Buy-sell Spread	None
Inception Date	1 April 2010

Benchmark	Not applicable
Base Fund Fee³	1.07%
Performance Fee	The Fund may invest into related Milford funds that charge performance fees.
Total Fund Fees⁴	1.26% (includes an est. performance fee)
Risk Indicator	<div style="display: flex; justify-content: space-between;"> Lower risk Higher risk </div> <div style="text-align: center;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between;"> Potentially lower returns Potentially higher returns </div>

Investment Performance after fees as at 31 March 2019⁵

Unit Price: \$2.2296

	3 Months	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	6.07%	0.33%	6.61%	8.40%	9.30%	9.76%
After Tax 10.50%	5.96%	0.17%	6.37%	7.93%	8.80%	9.19%
After Tax 17.50%	5.88%	0.05%	6.22%	7.63%	8.47%	8.81%
After Tax 28.00%	5.76%	-0.11%	5.98%	7.17%	7.97%	8.25%
Market Index ¹	8.36%	2.48%	10.43%	9.30%	9.54%	8.95%

Top Equity Holdings

Holdings	% of Fund's NAV
Contact Energy	2.53%
iShares MSCI EAFE Min Vol ETF	2.48%
a2 Milk Company	1.63%
Spark New Zealand	1.61%
Meridian Energy	1.20%
Vontobel Sustainable EM Leaders	0.91%
Wellington Global Healthcare	0.89%
Transurban Group	0.82%
Wellington Strategic Euro	0.80%
Kiwi Property Group	0.79%

Current Asset Allocation

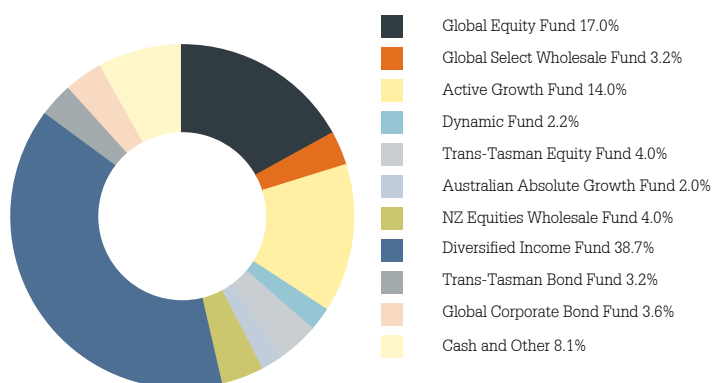
	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	14.91%	8.00%
New Zealand Fixed Interest	9.96%	8.00%
International Fixed Interest	25.32%	23.00%
New Zealand Equities	13.80%	15.00%
Australian Equities	5.07%	15.00%
International Equities	22.22%	25.00%
Listed Property	8.60%	6.00%
Other	0.12%	0%

Top Fixed Interest Holdings

Holdings	% of Fund's NAV
ANZ Bank Float 2022	0.92%
ASB Bank 5.25% 2026	0.83%
OBE 6.75% 2044	0.78%
NAB Float 2024	0.70%
Westpac 4.695% 2026	0.64%
ASB Bank Float 2022	0.63%
ANZ 2.91% 2019	0.55%
Rabobank 4.625% 2025	0.55%
IAG Float 2045	0.51%
ANZ Bank 3.03% 2024	0.48%

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' [here](#) for more information about the data published within this document.

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