

# Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 29 February 2020



## Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

The Fund returned -2.6% in February, bringing the 1-year return to 12.0%. The coronavirus outbreak sweeping the world will have significant economic impact as governments respond by restricting movement of people and cancelling public events. Global asset markets are reacting with share prices falling dramatically from recent peaks and bond prices going up as investors flock to the safety of income investments.

For the Balanced Fund, a number of factors are helping mitigate against falling markets. Firstly, diversification and particularly cash and bond holdings help anchor the Fund and provide stability against share price falls. Secondly, exposure to shares was reduced mid-month to protect against potential falls as the virus spread globally. Finally, stock selection has helped as we try and ensure that we are invested in companies that would have less direct impact from the outbreak. As a result, the Fund fell significantly less than it could have, had these measures not been in place.

Asset prices, including shares and bonds, have started to price in a degree of economic slowing. However, uncertainty remains very high, especially with regard to the degree of short-term economic impact. Due to this uncertainty the positioning in the Fund remains cautious. Milford's investment team continue to monitor the situation closely and Fund positioning will be adjusted accordingly.

To view Milford's March 2020 Market and Economic Review please see [milfordasset.com/fact-sheet](http://milfordasset.com/fact-sheet).

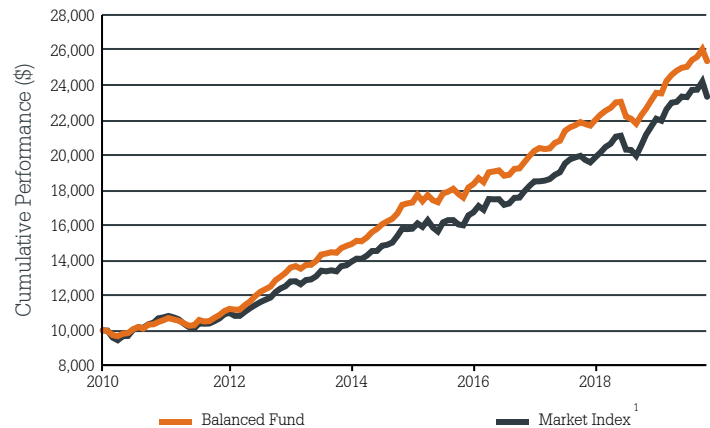
## External Ratings



Milford Balanced Fund received a Morningstar Analyst Rating™ of 'Silver' on 22-04-2019

## 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>	Capital growth over a minimum of five years
<b>Description</b>	Diversified fund that primarily invests in equities, with a significant allocation to fixed interest securities
<b>Target Allocation</b>	39% Income Assets / 61% Growth Assets
<b>Neutral FX Exposure</b>	13.0%
<b>Net Asset Value (NAV)</b>	\$815.5 M
<b>Buy-sell Spread</b>	None
<b>Inception Date</b>	1 April 2010
<b>Benchmark</b>	Not applicable
<b>Base Fund Fee<sup>3</sup></b>	1.07%
<b>Performance Fee</b>	The Fund may invest into related Milford funds that charge performance fees.
<b>Total Fund Fees<sup>4</sup></b>	1.10% (includes an est. performance fee)
<b>Risk Indicator</b>	<p>Lower risk <span style="float: right;">Higher risk</span></p> <p style="text-align: center;">1 2 <b>3</b> 4 5 6 7</p> <p>Potentially lower returns <span style="float: right;">Potentially higher returns</span></p>



Investment Performance after fees as at 29 February 2020<sup>5</sup>

Unit Price: \$2.4413

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	-2.60%	-0.26%	11.99%	9.00%	8.12%	9.84%
After Tax 10.50%	-2.61%	-0.36%	11.58%	8.62%	7.66%	9.28%
After Tax 17.50%	-2.62%	-0.42%	11.31%	8.37%	7.36%	8.92%
After Tax 28.00%	-2.64%	-0.51%	10.90%	7.99%	6.91%	8.38%
Market Index <sup>1</sup>	-3.59%	-1.65%	10.23%	9.18%	8.11%	8.92%

## Top Equity Holdings

Holdings	% of Fund's NAV
a2 Milk Company	1.67%
Spark New Zealand	1.60%
Contact Energy	1.42%
Microsoft Corp	1.30%
Alphabet	1.22%
Transurban Group	1.08%
Fisher & Paykel Healthcare	1.04%
Amazon	1.00%
Mirvac Group	0.91%
Visa	0.89%

## Current Asset Allocation

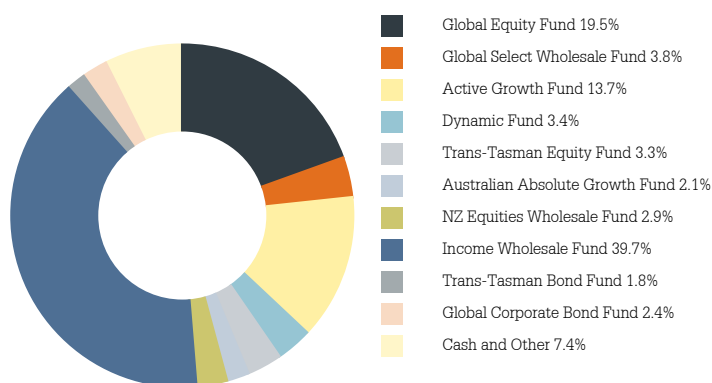
	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	33.37%	8.00%
New Zealand Fixed Interest	6.75%	8.00%
International Fixed Interest	12.58%	23.00%
New Zealand Equities	10.82%	15.00%
Australian Equities	3.80%	14.00%
International Equities	22.95%	26.00%
Listed Property	9.73%	6.00%
Other	0.00%	0%

## Top Fixed Interest Holdings

Holdings	% of Fund's NAV
Lendlease 4.5% 2026	0.59%
Westpac 2.63% 2020	0.54%
Mirvac Group 3.625% 2027	0.49%
Rabobank 4.625% 2025	0.48%
JPMorgan 1.09% 2027	0.47%
Bank of America 3.458% 2025	0.47%
ASB Bank 5.25% 2026	0.46%
Westpac 2.59% 2020	0.41%
Westpac 4.695% 2026	0.36%
Kerry Group 0.625% 2029	0.35%

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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