

# Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 June 2020



## Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

The Fund returned 1.3% in June bringing the 1-year return to 4.7%. Buoyant share and corporate bond markets helped the Fund deliver positive returns for the third month in a row in June. The recoveries in share and corporate bond markets are in excess of what we had considered possible given the global disruption caused by the COVID-19 outbreak.

Throughout the past three months the Fund has retained a more cautious stance with less exposure to shares and more cash. Nonetheless, the Fund has been helped by exposure to assets that have performed well, as well as careful stock selection in the equity funds. The Fund's exposure to high quality corporate bonds has been rewarded by good performance from an asset class now explicitly supported by the US central bank. Also, the reduced exposure to foreign currency in the month helped as the NZ dollar appreciated sharply against the US dollar.

Finally, more concentrated exposure to stocks such as Fisher & Paykel Healthcare (+18.5%) and the US technology sector helped deliver strong returns for the growth part of the Fund. The outlook is becoming more uncertain as COVID-19 takes a stronger grip on the US and we are past an initial surge in consumer spending. This gives stronger conviction in a more defensive Fund position, with less exposure to expensive global shares in particular.

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

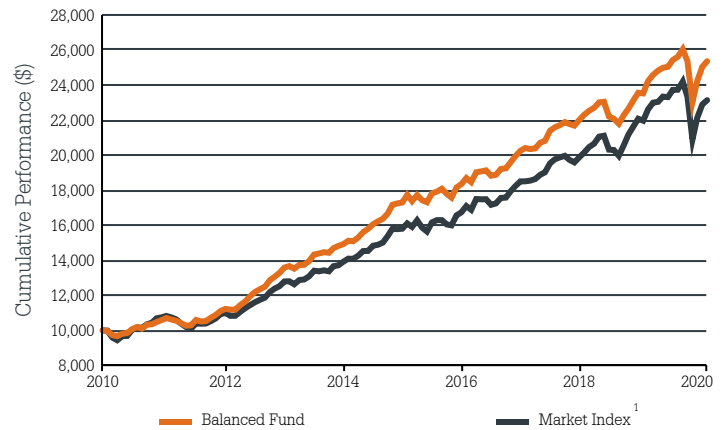
## External Ratings



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>	\$800.1 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 3 <b>4</b> 5 6 7</p> <p>Potentially lower returns <span style="float: right;">Potentially higher returns</span></p>

Investment Performance after fees as at 30 June 2020<sup>5</sup>

Unit Price: \$2.4397

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	1.27%	10.11%	4.68%	7.62%	7.85%	9.50%
After Tax 10.50%	1.21%	10.01%	4.41%	7.31%	7.43%	8.97%
After Tax 17.50%	1.17%	9.94%	4.24%	7.10%	7.14%	8.61%
After Tax 28.00%	1.11%	9.84%	3.97%	6.79%	6.72%	8.09%
Market Index <sup>1</sup>	1.07%	10.75%	2.34%	7.66%	7.78%	8.53%

## Top Equity Holdings

Holdings	% of Fund's NAV
a2 Milk Company	1.79%
Spark New Zealand	1.74%
Fisher & Paykel Healthcare	1.70%
Microsoft Corp	1.26%
Amazon	1.15%
Alphabet	1.15%
Contact Energy	1.11%
Woolworths	1.07%
Apple	1.00%
Transurban Group	0.94%

## Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	20.05%	8.00%
New Zealand Fixed Interest	6.39%	8.00%
International Fixed Interest	22.51%	23.00%
New Zealand Equities	11.78%	15.00%
Australian Equities	11.17%	14.00%
International Equities	20.85%	26.00%
Listed Property	5.77%	6.00%
Other	1.48%	0%

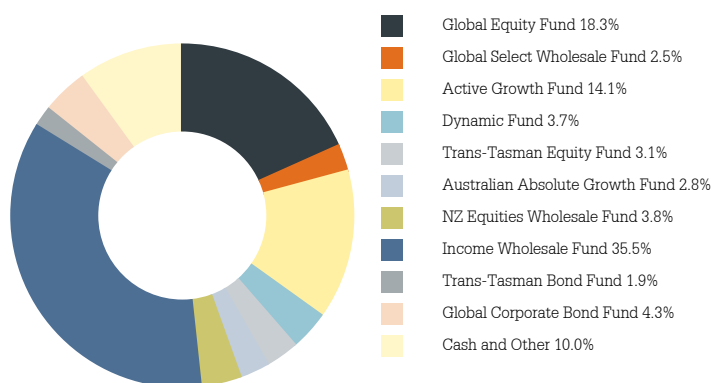
# The actual cash held by the Fund is 10.43%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

## Top Fixed Interest Holdings

Holdings	% of Fund's NAV
NZ Government Bond 2.75% 2025	0.60%
NZLGF 1.5% 2026	0.57%
Mirvac Group 3.625% 2027	0.47%
JPMorgan 1.09% 2027	0.46%
Lendlease 4.5% 2026	0.46%
ASB Bank 5.25% 2026	0.45%
Vodafone Group 6.25% 2078	0.38%
Westpac 4.695% 2026	0.35%
Kerry Group 0.625% 2029	0.35%
ASB Bank 1.83% 2024	0.33%

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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