

Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 July 2020



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund continued its run of positive monthly performances, delivering 2.0% in July and taking one year performance to 5.2%. Returns in July were driven by strong performance across all underlying Funds.

Global shares had a notably good month, owing to a concentration of positions in the Technology sector. This sector is a beneficiary of the current environment as consumers and businesses operate more in the virtual space. The NZ and Australian share Funds delivered returns in excess of local market performance due to holdings such as Summerset (+21.5%) and Mainfreight (+20.4%) in NZ and HUB24 (a wealth management platform, +43.4%) and gold mining stocks in Australia. The income portfolio also had strong returns in July as corporate bonds continue to recover strongly from their March sell-off.

Finally, the Funds reduced exposure to the US dollar aided performance as the currency weakened sharply against most global currencies. Recent market performance has exceeded our expectations, driven by strong policy support in the face of weak economic fundamentals. The Fund has retained a cautious setting through this period as risks have remained elevated. However, good stock selection across both shares and bonds has helped deliver strong returns for the Fund. Looking ahead, a mildly cautious approach remains appropriate given the run in markets and ongoing uncertainty on multiple fronts.

To view Milford's August 2020 Market and Economic Review please see milfordasset.com/fact-sheet.

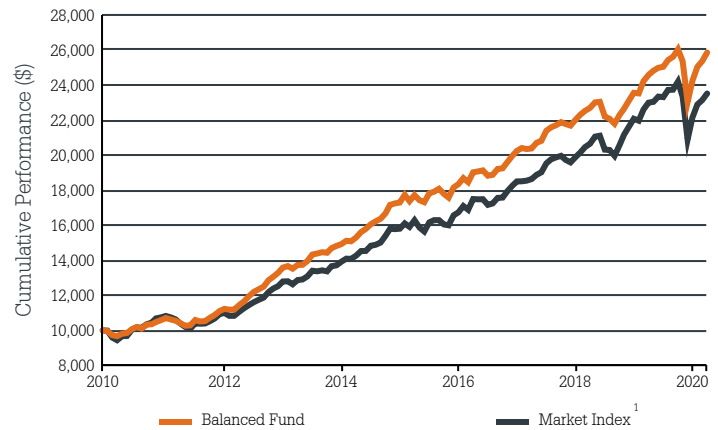
External Ratings



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

| | |
|------------------------------------|--|
| 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 | 13.0% |
| Net Asset Value (NAV) | \$835.2 M |
| Buy-sell Spread | None |
| 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 | 1.08% (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;"> </div> <div style="display: flex; justify-content: space-between;"> Potentially lower returns Potentially higher returns </div> |

Investment Performance after fees as at 31 July 2020⁵

Unit Price: \$2.4873

| | 1 Month | 3 Months | 1 year | 3 years (p.a.) | 5 years (p.a.) | Since inception (p.a.) |
|---|---------|----------|--------|----------------|----------------|------------------------|
| Milford Balanced Fund (Gross Of Tax) | 1.96% | 6.68% | 5.21% | 8.25% | 7.85% | 9.63% |
| After Tax 10.50% | 1.95% | 6.59% | 4.94% | 7.95% | 7.43% | 9.09% |
| After Tax 17.50% | 1.94% | 6.53% | 4.76% | 7.74% | 7.16% | 8.74% |
| After Tax 28.00% | 1.94% | 6.43% | 4.49% | 7.44% | 6.75% | 8.22% |
| Market Index ¹ | 1.65% | 6.21% | 2.28% | 8.07% | 7.63% | 8.63% |

Top Equity Holdings

| Holdings | % of Fund's NAV |
|----------------------------|-----------------|
| Fisher & Paykel Healthcare | 1.89% |
| Spark New Zealand | 1.87% |
| a2 Milk Company | 1.60% |
| Microsoft Corp | 1.24% |
| Contact Energy | 1.22% |
| Apple | 1.11% |
| Alphabet | 1.09% |
| Amazon | 1.06% |
| Woolworths | 1.04% |
| Transurban Group | 0.98% |

Current Asset Allocation

| | Actual Investment Mix | Neutral Investment Mix |
|------------------------------|-----------------------|------------------------|
| Effective Cash # | 15.94% | 8.00% |
| New Zealand Fixed Interest | 6.37% | 8.00% |
| International Fixed Interest | 24.75% | 23.00% |
| New Zealand Equities | 12.72% | 15.00% |
| Australian Equities | 11.53% | 14.00% |
| International Equities | 21.63% | 26.00% |
| Listed Property | 6.35% | 6.00% |
| Other | 0.71% | 0% |

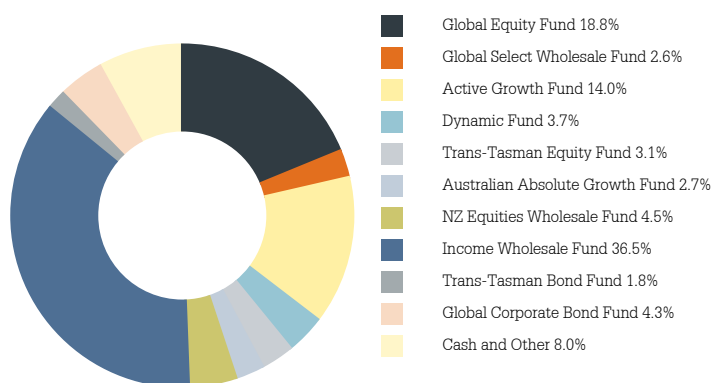
The actual cash held by the Fund is 7.72%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

| Holdings | % of Fund's NAV |
|-------------------------------|-----------------|
| NZ Government Bond 2.75% 2025 | 0.58% |
| NZLGF 1.5% 2026 | 0.56% |
| JPMorgan 1.09% 2027 | 0.48% |
| ASB Bank 5.25% 2026 | 0.45% |
| Mirvac Group 3.625% 2027 | 0.45% |
| Lendlease 4.5% 2026 | 0.42% |
| UBS Float 2025 | 0.36% |
| Vodafone Group 6.25% 2078 | 0.36% |
| Kerry Group 0.625% 2029 | 0.35% |
| Westpac 4.695% 2026 | 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 for more information about the data published within this document.

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