

Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 January 2021



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned -0.5% in January, with a 1-year return of 7.5%.

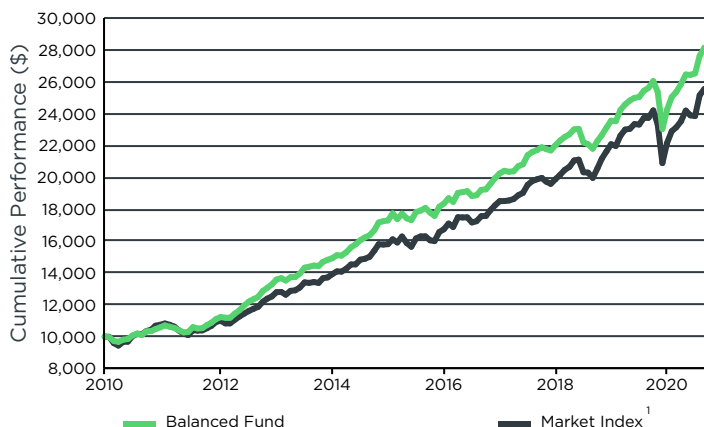
Financial market headlines in January focused on the trading frenzy in some small US companies. This masked the real story of the month, namely the US Democrats gaining control of the Senate. This increases the prospect of further economic stimulus, which coupled with a successful vaccine rollout should deliver a meaningful economic boost. This is positive for company profits, but also raises the prospect of higher interest rates - a potentially concerning development for investors given low interest rates have underpinned share and bond prices in recent years.

The Funds flexibility allows us to position to mitigate against rising interest rates. On the bond side, the Fund has reduced (hedged) explicit exposure to interest rates, helping cushion against any rises. On the stock side, we have invested in companies that benefit from higher rates and a booming economy, In January, our Australian Fund's investments in banks and resource companies delivered positive returns, even as the broader market was lower. Our global exposure is a balance between quality growth companies such as Amazon and Microsoft, and more cyclical companies such as US railroads or Spanish airport operator Aena. Finally, with a constructive backdrop, the Fund has tilted towards holding more shares and less bonds.

To view Milford's February 2021 Market and Economic Review please see milfordasset.com/fact-sheet.

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) \$1,134.7 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 1.08% (includes an est. performance fee)



External Ratings



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

Balanced Fund as at 31 January 2021

Investment Performance after fees as at 31 January 2021⁵

Unit Price: \$2.6913

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	-0.48%	5.57%	7.54%	8.56%	9.50%	9.96%
After Tax 10.50%	-0.51%	5.42%	7.24%	8.23%	9.08%	9.43%
After Tax 17.50%	-0.52%	5.33%	7.04%	8.01%	8.80%	9.08%
After Tax 28.00%	-0.55%	5.18%	6.74%	7.68%	8.38%	8.55%
Market Index ¹	-0.41%	6.68%	5.12%	8.42%	9.66%	9.00%

Top Equity Holdings

Holdings	% of Fund
Fisher & Paykel	2.10%
Spark	1.75%
Contact Energy	1.24%
Microsoft	1.14%
Summerset	0.97%
Telstra	0.96%
Woolworths	0.95%
Mainfreight	0.92%
Amazon	0.91%
Alphabet	0.88%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash [#]	8.52%	8.00%
New Zealand Fixed Interest	4.52%	6.00%
International Fixed Interest	22.81%	25.00%
New Zealand Equities	13.60%	12.00%
Australian Equities	14.83%	13.00%
International Equities	28.30%	29.00%
Listed Property	6.65%	7.00%
Other	0.77%	0%

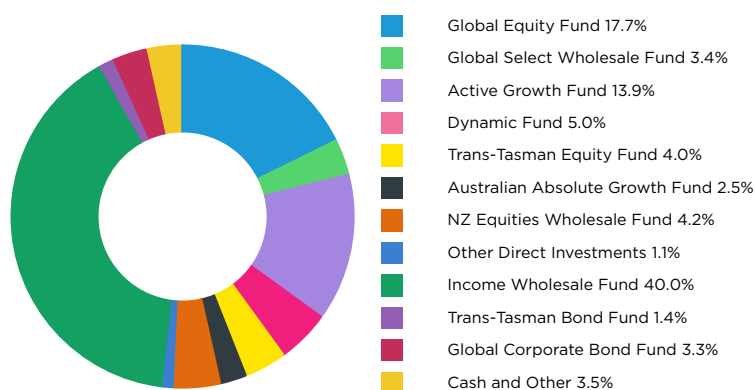
[#] The actual cash held by the Fund is 6.86%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

Holdings	% of Fund
Scentre Group 5.125% 2080	1.10%
AusNet Float 2080	0.46%
ASB Bank 5.25% 2026	0.40%
Mirvac Group 3.625% 2027	0.40%
Westpac Float 2031	0.39%
NAB Float 2030	0.38%
Aventus Float 2025	0.32%
Westpac 4.695% 2026	0.31%
Kerry Group 0.625% 2029	0.31%
JPMorgan 1.09% 2027	0.28%

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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