

Conservative Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 January 2026



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 0.2% last month, bringing the one-year return to 4.8%. A busy start to the year with moves across stocks, currencies and commodities. Through the noise, the Fund performed well with many of the asset allocation positions working well. Our more defensive (i.e. low risk) UK & European stocks performed well last month with stocks such as UK utility SSE (+11.2%) and Spanish airport operator Aena (+10.1%) strong contributors to Fund performance.

Large fund exposure to NZ and Australian bonds has been a modest headwind recently as the prices of these bonds have been falling (in anticipation of future rate hikes). But we think this presents an investment opportunity and the Fund has increased exposure to these assets – good yields on offer will support Fund performance going forward. We continue to avoid US dollar denominated bonds as we think they are poor value and at risk of rising inflation; we are more heavily positioned in UK bonds as high inflation falls, likely allowing the Bank of England to cut rates over coming months.

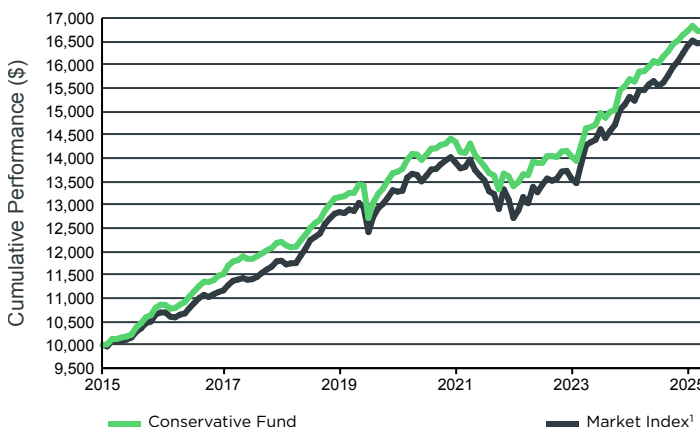
Looking ahead, the fundamental backdrop is good for shares as growth is expected to be strong. This is typically bad for bonds but we are comfortable that this expected economic growth is already factored in to the price of the bonds we own (e.g. in Australia and NZ) and we have avoided the bonds where prices are most at risk (e.g. in the US). With a shifting policy backdrop it remains likely that there will be volatility and opportunities to shift fund positions, but we will continue to take a patient approach.

To view Milford's January 2026 Market and Economic Review please see milfordasset.com/insights.

For previous fund reports see milfordasset.com/fund-reports.

Cumulative Fund Performance

(after fees and before tax)



Assumes the growth of \$10,000 invested at the Fund's inception date, and assumes reinvestment of distribution.

Key Fund Facts

Objective²

To provide moderate returns and protect capital over the minimum recommended investment timeframe

Description

Diversified fund that primarily invests in fixed interest securities, with a moderate allocation to equities. While conservative in nature, the Fund may experience short term negative returns, particularly in times of heightened volatility

Minimum recommended investment timeframe	3 years +
Target Allocation	82% Income Assets / 18% Growth Assets
Neutral FX Exposure	0%
Net Asset Value (NAV)	\$912.4 M
Yield ³	2.79%
Average Credit Rating	A-
Duration	2.2 years
Buy-sell Spread	None - swing pricing applies (See PDS for details)
Inception Date	1 September 2015
Current Distribution	0.85 cents per unit (Quarterly)
Benchmark	Not applicable
Base Fund Fee ⁴	0.85%
Performance Fee	Not applicable
Total Fund Fees ⁵	0.85%

	Lower risk						Higher risk
Risk Indicator	1	2	3	4	5	6	7
	Potentially lower returns						Potentially higher returns

Conservative Fund as at 31 January 2026

Investment Performance after fees as at 31 January 2026⁶

Unit Price: \$1.2971

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Conservative Fund (Gross Of Tax)	0.15%	-0.59%	4.80%	6.31%	3.51%	5.06%
After Tax 10.50%	0.09%	-0.58%	4.47%	5.82%	3.28%	4.66%
After Tax 17.50%	0.06%	-0.57%	4.25%	5.49%	3.12%	4.39%
After Tax 28.00%	0.01%	-0.56%	3.91%	4.99%	2.89%	3.98%
Market Index ¹	0.11%	-0.18%	5.79%	7.19%	3.86%	4.91%

Top Equity Holdings

Holdings	% of Fund
SSE	0.74%
National Grid	0.70%
NatWest Group	0.66%
Contact Energy	0.59%
Microsoft	0.54%
Bank of America	0.51%
Amazon	0.48%
Precinct Properties	0.45%
AENA	0.44%
Segro	0.39%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	12.07%	7%
New Zealand Fixed Interest	31.39%	25%
International Fixed Interest	37.18%	50.0%
New Zealand Equities	2.43%	1%
Australian Equities	4.77%	3%
International Equities	7.74%	9%
Listed Property	3.69%	5%
Other	0.73%	0.0%

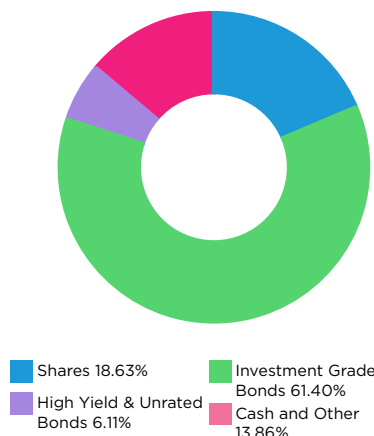
The actual cash held by the Fund is 7.16%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

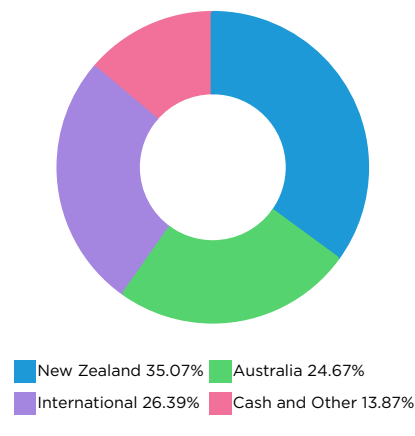
Holdings	% of Fund
NZ Govt. 4.5% 2035	4.47%
NZLGFA 3.5% 2033	2.02%
NZ Govt. 1.5% 2031	1.67%
NZ Govt. 3.5% 2033	1.24%
NZLGFA 2.25% 2031	1.16%
CPPIB Capital 4.75% 2031	1.13%
Housing NZ 3.42% 2028	1.04%
NZLGFA 4.5% 2030	1.03%
Crédit Mutuel 4.99% 2031	0.89%
Rabobank Float 2028	0.88%

Note: Fixed interest securities are reported in the following format: Issuer name, interest (coupon rate), maturity year.

Fund Portfolio Mix



Region Exposure



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. 3. The yield to maturity is not an indicator of future return, but reflects the current yield to maturity of the fund's underlying holdings (before tax and after the base fund fee). 4. Where applicable, the Base Fund Fee includes an estimate of non-related underlying fund charges. 5. 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. 6. Includes the reinvestment of distributions. 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.

Disclaimer: The Milford Fund Fact Sheet has been prepared by Milford Funds Limited. It is based on information believed to be accurate and reliable although no guarantee can be given that this is the case. No reproduction of any material either in part or in full is permitted without prior permission. For more information about the Fund, please refer to the Product Disclosure Statement or the latest Quarterly Fund Update.