

# 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.

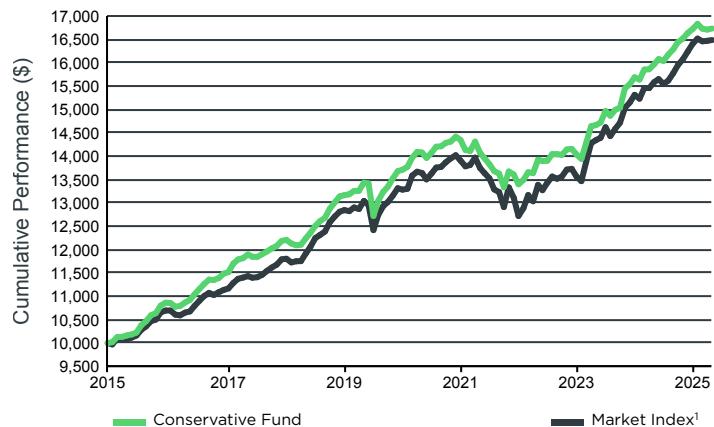
Looking ahead, the fundamental backdrop is good for shares as growth is expected to be strong. This is typically bad for bonds but we are comfortable that this expected economic growth is already factored in to the price of the bonds we own (e.g. in Australia and NZ) and we have avoided the bonds where 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](http://milfordasset.com/insights).

For previous fund reports see [milfordasset.com/fund-reports](http://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

<b>Objective<sup>2</sup></b>	To provide moderate returns and protect capital over the minimum recommended investment timeframe
<b>Description</b>	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
<b>Minimum recommended investment timeframe</b>	3 years +
<b>Target Allocation</b>	82% Income Assets / 18% Growth Assets
<b>Neutral FX Exposure</b>	0%
<b>Net Asset Value (NAV)</b>	\$912.4 M
<b>Yield<sup>3</sup></b>	2.79%
<b>Average Credit Rating</b>	A-
<b>Duration</b>	2.2 years
<b>Buy-sell Spread</b>	None - swing pricing applies (See PDS for details)
<b>Inception Date</b>	1 September 2015
<b>Current Distribution</b>	0.85 cents per unit (Quarterly)
<b>Benchmark</b>	Not applicable
<b>Base Fund Fee<sup>4</sup></b>	0.85%
<b>Performance Fee</b>	Not applicable
<b>Total Fund Fees<sup>5</sup></b>	0.85%
Lower risk	
<b>Risk Indicator</b>	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 2026<sup>6</sup>

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 <sup>1</sup>	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

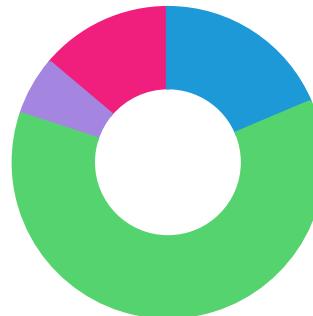
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	12.07%	7%
New Zealand Fixed Interest	31.39%	25%
International Fixed Interest	37.18%	50.0%
New Zealand Equities	2.43%	1%
Australian Equities	4.77%	3%
International Equities	7.74%	9%
Listed Property	3.69%	5%
Other	0.73%	0.0%

# 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).

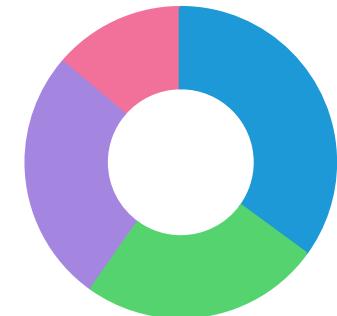
### Top Fixed Interest Holdings

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%

### Fund Portfolio Mix



### Region Exposure



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

**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](http://milfordasset.com/fact-sheet) for more information about the data published within this document.

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