

Conservative Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 May 2026



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 0.9% in May, bringing the one-year return to 2.4%. Global share markets continued to rally strongly, which has contributed to Fund returns but only modestly.

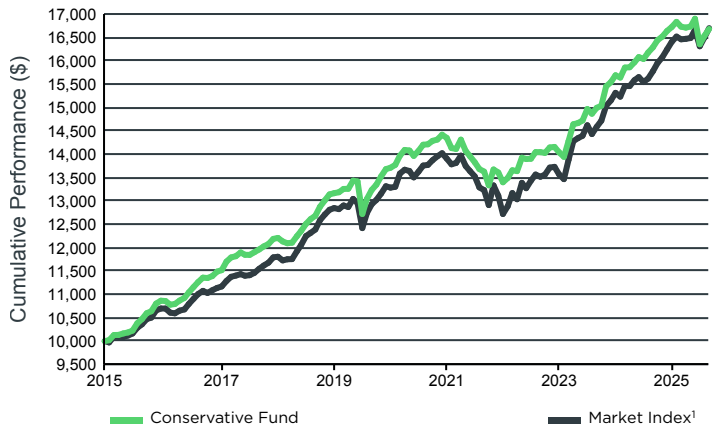
That is because firstly, the Fund's allocation to shares is modest, at around 20%. Secondly, the type of shares in the Fund are lower risk in nature and performance of these types of companies has been more muted recently, compared to the high-octane technology company performance. Given the emergence of bubble-like dynamics in parts of the equity market, caution is warranted. For this reason, the Fund remains wary of exposure to this part of the market, preferring to remain in the steadier equity investments.

More relevant for the Conservative Fund has been the outperformance of New Zealand and Australian bonds compared with US equivalents, which helped drive the bulk of returns. Softer inflation data in New Zealand and an RBNZ that looks reticent to hike into higher inflation outcomes were the main catalysts, coupled with stronger growth and inflation outcomes in the US. With reasonable yields still on offer, the Fund continues to be more heavily positioned in New Zealand bonds in particular. Looking ahead, the outlook for returns remains reasonable, anchored by solid New Zealand bond yields and a good backdrop for shares.

To view Milford's May 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)	\$954.6 M
Yield³	2.63%
Average Credit Rating	A
Buy-sell Spread	None - swing pricing applies (See PDS for details)
Inception Date	1 September 2015
Current Distribution	0.6 cents per unit (Quarterly)
Benchmark	Not applicable
Base Fund Fee⁴	0.85%
Performance Fee	Not applicable
Total Fund Fees⁵	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 May 2026

Investment Performance after fees as at 31 May 2026⁶

Unit Price: \$1.2866

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Conservative Fund (Gross Of Tax)	0.91%	-1.29%	2.42%	5.90%	3.26%	4.87%
After Tax 10.50%	0.79%	-1.23%	2.28%	5.43%	3.03%	4.48%
After Tax 17.50%	0.71%	-1.19%	2.18%	5.12%	2.87%	4.22%
After Tax 28.00%	0.59%	-1.14%	2.04%	4.65%	2.64%	3.83%
Market Index ¹	1.23%	0.20%	5.85%	7.29%	3.93%	4.88%

Top Equity Holdings

Holdings	% of Fund
Microsoft	0.60%
Contact Energy	0.58%
Amazon	0.52%
National Grid	0.51%
SSE	0.50%
NatWest Group	0.49%
Bank of America	0.39%
Precinct Properties	0.39%
Goodman Group	0.37%
CRH	0.36%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash [#]	7.32%	7%
New Zealand Fixed Interest	36.47%	25%
International Fixed Interest	35.14%	50.0%
New Zealand Equities	2.17%	1%
Australian Equities	4.69%	3%
International Equities	10.62%	9%
Listed Property	3.21%	5%
Commodities	0.01%	0.0%
Other	0.37%	0.0%

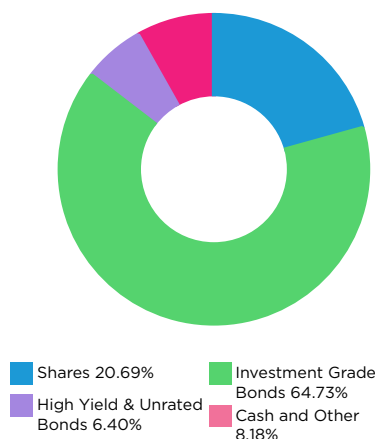
[#] The actual cash held by the Fund is 5.41%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

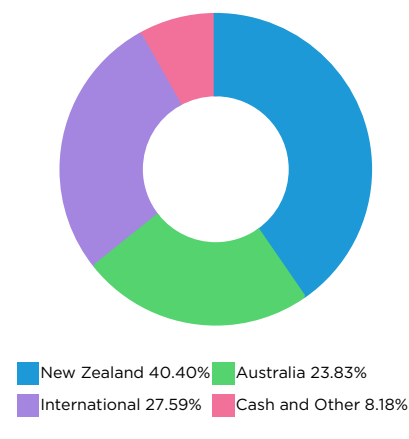
Holdings	% of Fund
NZ Govt. 4.5% 2035	4.29%
NZ Govt. 2.5% 2035	2.78%
NZLGFA 3.5% 2033	2.35%
NZ Govt. 1.5% 2031	1.62%
NZ Govt. 3.5% 2033	1.18%
Westpac Float 2029	1.14%
NZLGFA 2.25% 2031	1.09%
Westpac 4.337% 2029	1.07%
Housing NZ 2.183% 2030	1.06%
BNZ 4.354% 2031	1.02%

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.

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