

Conservative Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 October 2024



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned -0.3% in October, bringing the one-year return to 12.2%. Underlying markets were weaker last month, but the Fund managed to outperform these owing to the tilts in place. Bond markets saw the largest falls, a concern for the Fund given this is the predominant asset class. Bond markets had previously looked mispriced, given the expectations for large and swift cuts to US interest rates. However, US economic resiliency, particularly in the labour market data, has questioned that view, and bond markets repriced sharply lower.

The Fund had reduced its bond exposure, taking profits on the rally in bonds over the past three months. This helped cushion the Fund from falls in the bond market in October. But bonds are now looking more fairly priced and the Fund has been slowly adding back to bond exposures accordingly. That said, we remain wary that bonds could fall further and so will be patient in this process. Furthermore, many of the shares we own will benefit if bond markets recover.

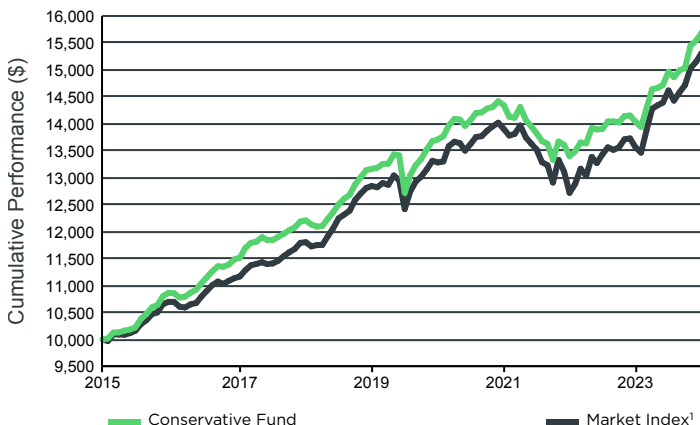
For shares and long-dated bonds, the looming US election (at the time of writing) could generate market volatility in either direction. The Fund has a modest exposure to shares and will be nimble in managing this around the election.

To view Milford's October 2024 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)	\$584.4 M
Yield³	4.15%
Average Credit Rating	BBB+
Duration	2.35 years
Buy-sell Spread	None - swing pricing applies (See PDS for details)
Inception Date	1 September 2015
Current Distribution	0.95 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
1 2 3 4 5 6 7	
Potentially lower returns	Potentially higher returns

Conservative Fund as at 31 October 2024

Investment Performance after fees as at 31 October 2024⁶

Unit Price: \$1.2553

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Conservative Fund (Gross Of Tax)	-0.32%	1.22%	12.17%	3.44%	3.47%	5.00%
After Tax 10.50%	-0.29%	1.06%	11.18%	3.14%	3.20%	4.58%
After Tax 17.50%	-0.28%	0.96%	10.53%	2.95%	3.01%	4.31%
After Tax 28.00%	-0.26%	0.80%	9.55%	2.65%	2.74%	3.90%
Market Index ¹	-0.54%	1.31%	13.11%	3.38%	3.50%	4.69%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	1.02%
Microsoft	0.83%
Infratil	0.70%
Telstra	0.65%
Spark	0.62%
CRH	0.59%
Shell	0.58%
Natwest	0.57%
Coca-Cola Europacific Partners	0.52%
Aena SME	0.51%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	20.65%	7%
New Zealand Fixed Interest	22.45%	25%
International Fixed Interest	37.09%	50.0%
New Zealand Equities	3.03%	1%
Australian Equities	4.69%	3%
International Equities	9.44%	9%
Listed Property	2.65%	5%
Other	0.00%	0.0%

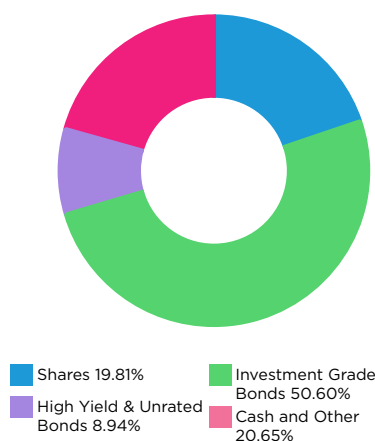
The actual cash held by the Fund is 14.62%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

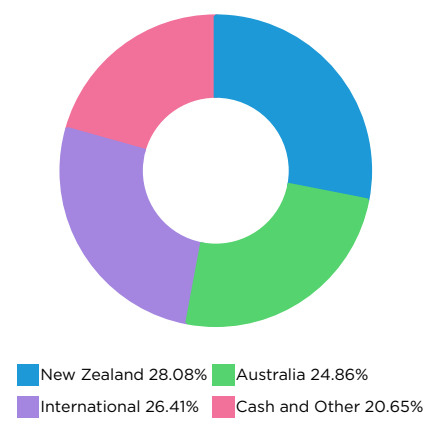
Holdings	% of Fund
NZGBI 2% 2025	1.91%
NZLGFA 4.5% 2030	1.89%
Origin Energy 5.35% 2031	1.68%
EnBW International Finance 6.048% 2034	1.15%
NZLGFA 1.5% 2026	1.12%
Housing NZ 3.42% 2028	1.06%
NZLGFA 1.5% 2029	1.02%
GTA Finance 2.2% 2027	0.96%
WBC Float 2029	0.95%
Westpac 4.337% 2029	0.83%

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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