

# Conservative Fund

## Portfolio Investment Entity

### Monthly Fact Sheet as at 31 March 2026



## Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

The Fund fell 3.2% last month, bringing the one-year return to 2.0%. Investors had to deal with yet another bout of volatility last month as the US strikes on Iran and closure of the Strait of Hormuz sent oil prices up over 60%.

Recalling the Ukraine energy shock, investors feared another bout of inflation and priced central banks to hike interest rates in response, sending short-term bonds sharply lower. These short-term bonds are a key asset class for the Fund. So, whilst one-month performance was impacted by this repricing, it did also offer opportunities to add to these. We see particular value in NZ bonds that are offering elevated yields as we think that central banks are very unlikely to hike interest rates in this environment. Higher bond yields on offer today should support Fund performance going forward.

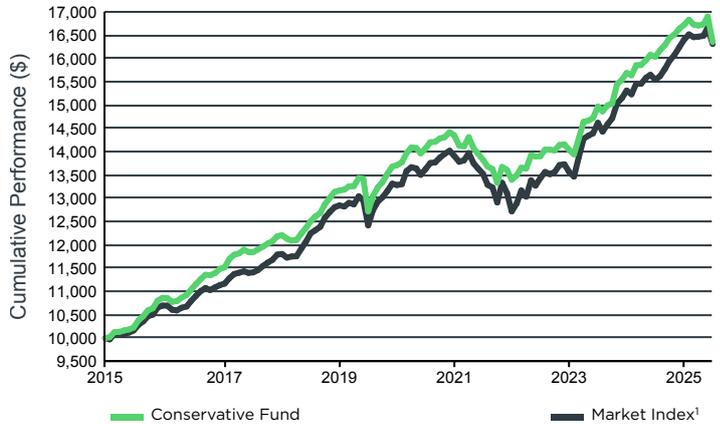
Shares also fell, as investors worried over the impacts on global growth. The Fund was underweight shares for much of the month but took advantage of the weakness and added some exposure back towards the end of the month. Cushioning some of the asset price moves in the month was the Fund's small US dollar exposure, as the NZ dollar fell 4% in the month. The outlook remains uncertain, but asset prices have moved to reflect that uncertainty, providing select opportunities for investment across bonds, currencies and shares.

To view Milford's March 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

- Objective<sup>2</sup>** 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

<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>	\$939.2 M
<b>Yield<sup>3</sup></b>	3.01%
<b>Average Credit Rating</b>	A
<b>Duration</b>	3.33 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>	0.60 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%
<b>Risk Indicator</b>	<div style="display: flex; justify-content: space-between; align-items: center;"> <span>Lower risk</span> <span>1 2 <b>3</b> 4 5 6 7</span> <span>Higher risk</span> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <span>Potentially lower returns</span> <span>Potentially higher returns</span> </div>

## Conservative Fund as at 31 March 2026

### Investment Performance after fees as at 31 March 2026<sup>6</sup>

Unit Price: \$1.2674

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Conservative Fund (Gross Of Tax)	-3.23%	-2.13%	1.96%	5.56%	3.05%	4.76%
After Tax 10.50%	-3.03%	-2.03%	1.91%	5.13%	2.84%	4.37%
After Tax 17.50%	-2.90%	-1.96%	1.88%	4.84%	2.70%	4.12%
After Tax 28.00%	-2.70%	-1.85%	1.83%	4.41%	2.50%	3.74%
Market Index <sup>1</sup>	-2.13%	-0.97%	4.92%	6.67%	3.66%	4.73%

### Top Equity Holdings

Holdings	% of Fund
SSE	0.68%
National Grid	0.61%
Contact Energy	0.61%
NatWest Group	0.53%
Microsoft	0.47%
Shell	0.40%
Precinct Properties	0.39%
CRH	0.39%
Amazon	0.39%
Bank of America	0.38%

### Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash <sup>#</sup>	13.67%	7%
New Zealand Fixed Interest	34.08%	25%
International Fixed Interest	35.87%	50.0%
New Zealand Equities	2.24%	1%
Australian Equities	3.91%	3%
International Equities	6.98%	9%
Listed Property	3.23%	5%
Commodities	0.02%	0.0%
Other	0.00%	0.0%

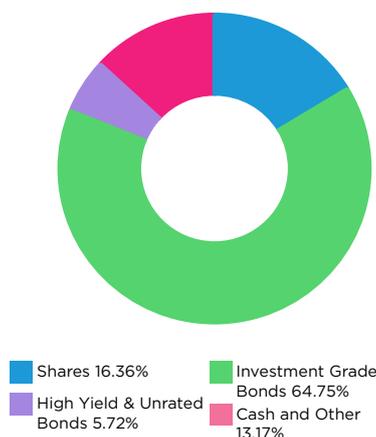
<sup>#</sup> The actual cash held by the Fund is 7.28%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

### Top Fixed Interest Holdings

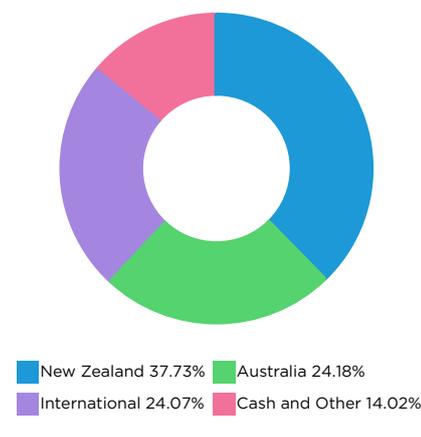
Holdings	% of Fund
NZ Govt. 4.5% 2035	4.33%
NZ Govt. 2.5% 2035	2.77%
NZLGFA 3.5% 2033	2.32%
NZ Govt. 1.5% 2031	1.62%
NZ Govt. 3.5% 2033	1.18%
NZLGFA 2.25% 2031	1.08%
Westpac 6.085% 2041	1.07%
Housing NZ 2.183% 2030	1.06%
BNZ 4.354% 2031	1.00%
DBS Bank 5.065% 2031	0.99%

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

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