

Conservative Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 April 2020



Portfolio Managers



Paul Morris
Portfolio Manager



Mark Riggall
Co-Portfolio Manager

A wave of extraordinary policy action, coupled with signs economies may be coming out of lockdown, has helped both share and corporate bond markets recover some of March's weakness. This was to the Fund's benefit, noting its bond holdings are primarily corporate bonds (albeit exposure to government/government related bonds has been increased). The market recovery contributed to the Fund regaining some value in April, up 2.5% in the month, equating to a 1-year return of 3.4%.

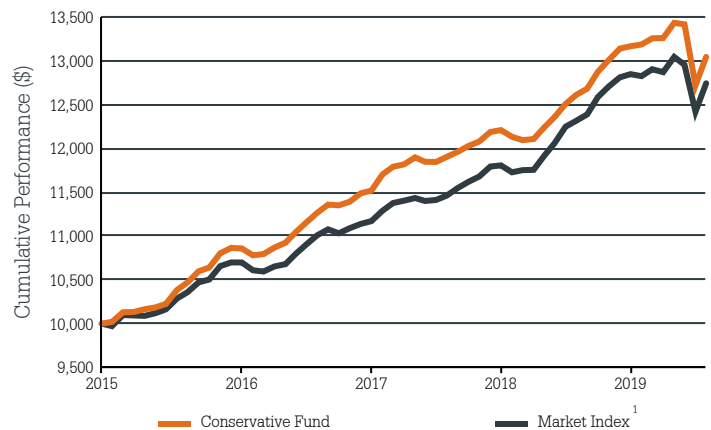
Mindful of its conservative risk profile, the Fund had started the month with a very cautious risk setting; significantly less shares, less lower rated corporate bonds and more cash than its long run neutral. As the breadth of the unprecedented fiscal and monetary policy response became evident, we did slightly reduce cash holdings by increasing exposure to both shares and corporate bonds. These additions were focused in shares and corporate bonds of companies with resilient balance sheets which operate in defensive sectors. They are therefore better equipped to deliver reasonable medium-term returns, especially when supported by ongoing central bank support.

Looking forward, until there is improved clarity as to the duration and impact of the economic shutdowns our focus will remain more on attempting to limit capital losses, even if that means missing out on some market upside. Therefore, for now the bar is still set reasonably high to materially add further to the Fund's risk settings.

To view Milford's May 2020 Market and Economic Review please see milfordasset.com/fact-sheet.

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 ²	Moderate returns and protect capital over a minimum of three years
Description	Diversified fund that primarily invests in fixed interest securities, with a moderate allocation to equities
Target Allocation	82% Income Assets / 18% Growth Assets
Neutral FX Exposure	0%
Net Asset Value (NAV)	\$436.5 M
Yield ³	2.38%
Average Credit Rating	A-
Duration	2.68 years
Buy-sell Spread	None
Inception Date	1 September 2015
Current Distribution	0.5 cents per unit (Quarterly)
Benchmark	Not applicable
Base Fund Fee ⁴	0.95%
Performance Fee	Not applicable
Total Fund Fees ⁵	0.95%
Risk Indicator	<div style="display: flex; justify-content: space-between;"> Lower risk Higher risk </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> Potentially lower returns Potentially higher returns </div>

Investment Performance after fees as at 30 April 2020⁶

Unit Price: \$1.1548

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Conservative Fund (Gross Of Tax)	2.55%	-2.90%	3.44%	5.01%	-	5.86%
After Tax 10.50%	2.38%	-2.81%	3.03%	4.55%	-	5.33%
After Tax 17.50%	2.27%	-2.75%	2.76%	4.24%	-	4.98%
After Tax 28.00%	2.10%	-2.67%	2.36%	3.79%	-	4.46%
Market Index ¹	2.61%	-2.30%	3.48%	5.00%	-	5.34%

Top Equity Holdings

Holdings	% of Fund's NAV
Transurban Group	0.58%
Spark New Zealand	0.57%
Contact Energy	0.43%
American Waters Works	0.36%
Mirvac Group	0.35%
Alphabet	0.27%
Microsoft Corp	0.24%
Amazon	0.24%
Charter Hall Long Wale REIT	0.23%
Apple	0.21%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash [#]	19.91%	6.00%
New Zealand Fixed Interest	27.84%	35.00%
International Fixed Interest	41.11%	41.00%
New Zealand Equities	1.88%	3.00%
Australian Equities	1.46%	3.00%
International Equities	5.77%	8.00%
Listed Property	1.82%	4.00%
Other	0.21%	0%

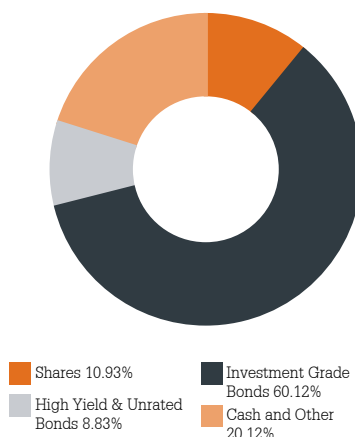
[#] The actual cash held by the Fund is 8.97%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

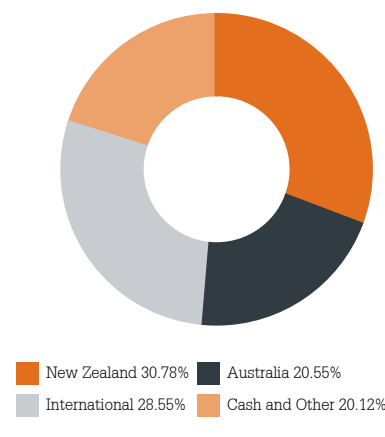
Holdings	% of Fund's NAV
Bank Of China 2.4% 2020	1.86%
NZLGFA 1.5% 2029	1.50%
Housing NZ 3.36% 2025	1.33%
John Deere 1.75% 2024	1.24%
Westpac 2.22% 2024	1.17%
ASB Bank 1.83% 2024	1.15%
ANZ Bank 3.03% 2024	1.04%
Lendlease 4.5% 2026	1.04%
Synlait Milk 3.83% 2024	0.97%
ANZ Bank Float 2024	0.95%

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. Yield to maturity (before tax and fees) for underlying investments in the Fund. 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.

Level 28, 48 Shortland Street, Auckland
PO Box 960, Shortland Street, Auckland 1140
Free phone 0800 662 345
milfordasset.com

