

Conservative Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 August 2021



Portfolio Managers



Paul Morris
Portfolio Manager



Mark Riggall
Co-Portfolio Manager

The Fund returned a moderate gain of 0.7% over the month. The return was held back by mixed returns from bonds as market interest rates generally moved incrementally higher (bond prices lower). This was however more than offset by a strong month for the Fund's shares which continue to benefit from ongoing strong company earnings and historically low interest rates.

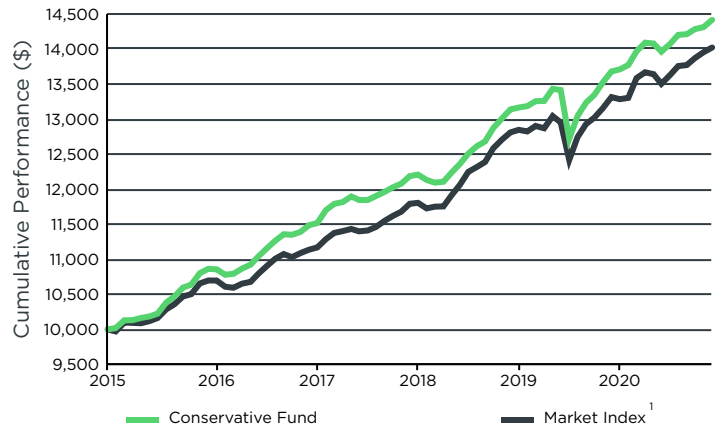
The Fund's global shares continued their positive performance even though Delta is impacting short-term economic activity. August also saw impressive strength across the Fund's Australasian shares. This included notable gains from Australasian property shares with companies generally managing well through lockdowns. There was strong performance from the Fund's NZ shares. Mainfreight rose again, helped by inclusion in a global index, while the NZ retirement sector shares jumped on strong results.

Looking forward, ongoing above trend growth and historically low interest rates continue to support our reasonable outlook for returns, albeit near term volatility may increase. We remain wary of bonds given the risk of higher interest rates, retaining lower interest rate exposure. That said, our base case sees a lower eventual peak to this interest rate cycle. Combined with a supportive earnings outlook we maintain a slightly higher allocation to shares relative to the long-term neutral.

To view Milford's September 2021 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

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
Minimum recommended investment timeframe	3 years
Target Allocation	82% Income Assets / 18% Growth Assets
Neutral FX Exposure	0%
Net Asset Value (NAV)	\$602.9 M
Yield³	1.93%
Average Credit Rating	A-
Duration	1.83 years
Buy-sell Spread	None - swing pricing applies (See PDS for details)
Inception Date	1 September 2015
Current Distribution	0.5 cents per unit (Quarterly)
Benchmark	Not applicable
Base Fund Fee⁴	0.95%
Performance Fee	Not applicable
Total Fund Fees⁵	0.95%





Conservative Fund as at 31 August 2021

Investment Performance after fees as at 31 August 2021⁶

Unit Price: \$1.2495

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Conservative Fund (Gross Of Tax)	0.73%	1.44%	5.39%	5.76%	5.82%	6.28%
After Tax 10.50%	0.72%	1.44%	5.15%	5.30%	5.35%	5.77%
After Tax 17.50%	0.72%	1.43%	4.99%	5.00%	5.04%	5.43%
After Tax 28.00%	0.72%	1.42%	4.76%	4.55%	4.57%	4.91%
Market Index ¹	0.48%	1.82%	5.31%	5.94%	5.56%	5.80%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	0.67%
Meridian	0.48%
Telstra	0.46%
Spark	0.44%
Transurban	0.40%
Charter Hall Retail	0.39%
Goodman	0.38%
Alphabet	0.33%
NAB	0.31%
Microsoft	0.31%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	13.19%	7%
New Zealand Fixed Interest	21.32%	25%
International Fixed Interest	46.57%	50.00%
New Zealand Equities	2.99%	2%
Australian Equities	2.95%	3%
International Equities	8.93%	9%
Listed Property	3.16%	5%
Other	0.89%	0%

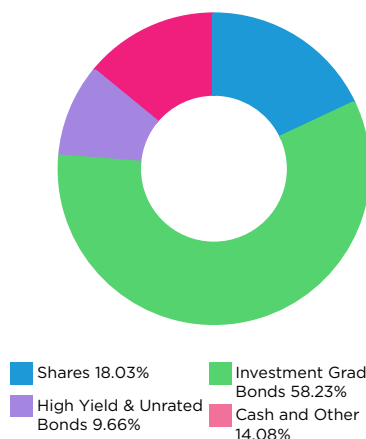
The actual cash held by the Fund is 10.10%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

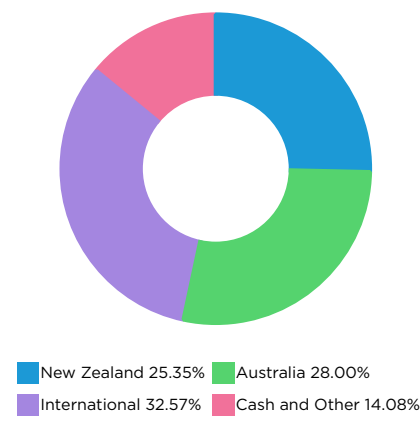
Holdings	% of Fund
Kiwibank 1.3% 2022	2.27%
NZLGFA 1.5% 2026	1.85%
NZ Govt. 0.5% 2026	0.99%
NAB Float 2026	0.92%
Housing NZ 3.36% 2025	0.88%
NZLGFA 1.5% 2029	0.86%
Scentre Group 4.75% 2080	0.84%
NZLGFA 3.5% 2033	0.80%
Wesfarmers 1.941% 2028	0.76%
Transpower 1.735% 2025	0.72%

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.

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