

Conservative Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 August 2023



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

In August, the Fund returned 0.1%, bringing the one-year return to 4.0%.

Market returns were weaker in the month. Global and NZ shares delivered their worst monthly performance of 2023 whilst bond prices were mixed. In currencies, the NZ dollar weakened by almost 4% against the US dollar. Investors are grappling with a diverging world, with a very strong US economy contrasting with a weaker Europe and China, with NZ and Australia also in the weak category.

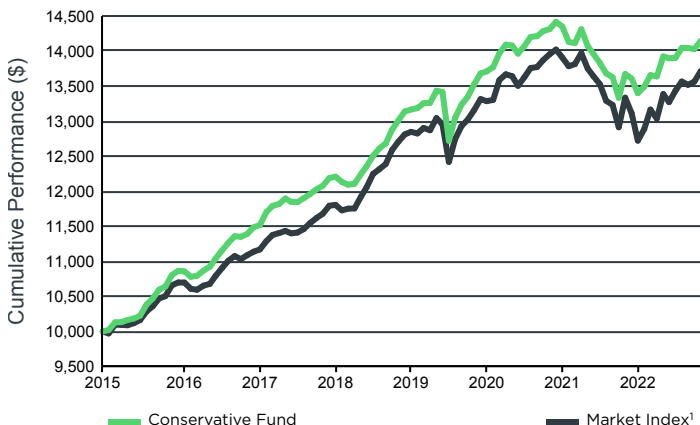
Last month, the Fund's asset allocation tilts paid off as we had been underweighting the NZ dollar, increased exposure to Australian bonds vs US bonds, and held a lower exposure to shares. In addition, volatility in bond prices over the month allowed for an increase in bond exposure in the Fund in general.

Even allowing for the large divergences in global growth, the trend does look to be one of gently slowing. With central banks largely done on their hiking cycle, the coming year should be one where bonds prices stop falling or can maybe rise, in addition to the strong yields on offer from the bonds themselves.

To view Milford's August 2023 Market and Economic Review please see milfordasset.com/insights.

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)	\$548.5 M
Yield³	5.25%
Average Credit Rating	BBB+
Duration	2.5 years
Buy-sell Spread	None - swing pricing applies (See PDS for details)
Inception Date	1 September 2015
Current Distribution	0.7 cents per unit (Quarterly)
Benchmark	Not applicable
Base Fund Fee⁴	0.95%
Performance Fee	Not applicable
Total Fund Fees⁵	0.95%

Risk Indicator	1	2	3	4	5	6	7
	Potentially lower returns			Potentially higher returns			



Conservative Fund as at 31 August 2023

Investment Performance after fees as at 31 August 2023⁶

Unit Price: \$1.1802

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Conservative Fund (Gross Of Tax)	0.08%	0.79%	4.02%	1.15%	3.04%	4.44%
After Tax 10.50%	0.04%	0.72%	3.67%	1.12%	2.81%	4.08%
After Tax 17.50%	0.01%	0.67%	3.43%	1.11%	2.65%	3.84%
After Tax 28.00%	-0.03%	0.60%	3.08%	1.09%	2.42%	3.48%
Market Index ¹	0.12%	1.57%	4.71%	1.03%	3.09%	4.04%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	0.77%
Spark	0.62%
Shell	0.58%
Elevance Health	0.56%
HCA Holdings	0.55%
Coca-Cola Europacific Partners	0.54%
APA	0.53%
Fiserv	0.49%
Bank of Ireland Group	0.46%
Goodman	0.42%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	13.32%	7%
New Zealand Fixed Interest	25.14%	25%
International Fixed Interest	46.08%	50.0%
New Zealand Equities	2.35%	1.5%
Australian Equities	2.15%	2.5%
International Equities	8.75%	9%
Listed Property	2.21%	5%
Other	0.00%	0.0%

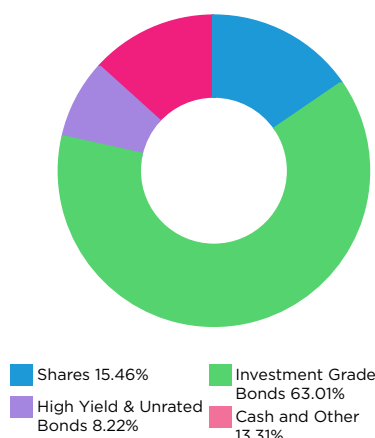
The actual cash held by the Fund is 6.94%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

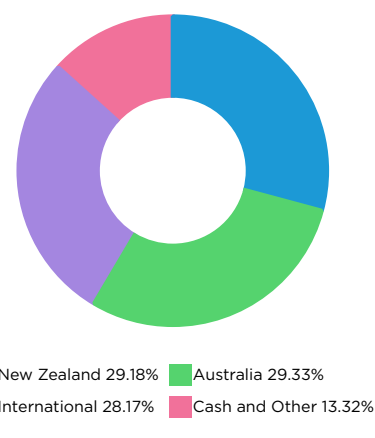
Holdings	% of Fund
NZGBI 2% 2025	4.34%
BNZ 5.87% 2028	1.62%
NZ Govt. 3.5% 2033	1.27%
NZLGFA 1.5% 2026	1.14%
Housing NZ 3.42% 2028	1.10%
NZLGFA 1.5% 2029	1.03%
GTA Finance 2.2% 2027	0.98%
CBA 5.398% 2027	0.91%
CBA 4.9% 2028	0.88%
Bank of Queensland Float 2027	0.86%

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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