

# Conservative Fund

## Portfolio Investment Entity

### Monthly Fact Sheet as at 31 August 2024



## Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

In August, the Fund returned 0.6%, bringing the one year return to 9.8%. The last 12 months have seen strong tailwinds for the conservative strategy, with significant positive performance from bonds whilst share price appreciation has also helped (being a much smaller portion of the Fund).

The return of inflation back to tolerable levels is leading to expectations of rate cuts around the world, supporting rallies in bonds (where the Fund is more heavily invested).

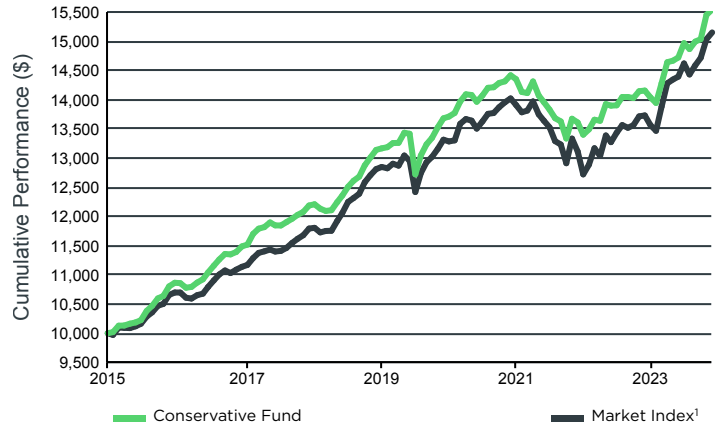
Last month, fears around weakness in US economic growth fuelled further gains in bond prices, delivering further positive performance for the Fund. Market expectations of interest rate cuts mean bond market valuations are reasonably expensive – unless we get a shock or bout of economic weakness. We think US growth (in particular) remains robust, and therefore have been reducing some exposure to bonds post the recent rally.

Meanwhile, in shares we have rotated the Fund's exposure towards better value segments such as the UK and infrastructure companies (global and local). We are watching the economic data releases closely for signposts on the trajectory of global economies. This will guide the Fund's position, with exposure to bonds and shares being dialled up and down according to pricing and the shifting outlook.

To view Milford's August 2024 Market and Economic Review please see [milfordasset.com/insights](https://milfordasset.com/insights).

For previous fund reports see [milfordasset.com/fund-reports](https://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

<b>Objective<sup>2</sup></b>	To provide moderate returns and protect capital over the minimum recommended investment timeframe
<b>Description</b>	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>	\$574.3 M
<b>Yield<sup>3</sup></b>	4.15%
<b>Average Credit Rating</b>	BBB+
<b>Duration</b>	2.07 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>	0.95 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>	1	2	3	4	5	6	7
	Potentially lower returns			Potentially higher returns			



# Conservative Fund as at 31 August 2024

## Investment Performance after fees as at 31 August 2024<sup>6</sup>

Unit Price: \$1.2571

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Conservative Fund (Gross Of Tax)	0.59%	3.66%	9.79%	2.54%	3.41%	5.02%
After Tax 10.50%	0.48%	3.32%	8.92%	2.32%	3.14%	4.60%
After Tax 17.50%	0.41%	3.10%	8.34%	2.17%	2.96%	4.33%
After Tax 28.00%	0.31%	2.76%	7.47%	1.95%	2.68%	3.92%
Market Index <sup>1</sup>	0.77%	3.87%	10.35%	2.62%	3.41%	4.72%

## Top Equity Holdings

Holdings	% of Fund
Contact Energy	0.99%
Telstra	0.68%
Microsoft	0.67%
Infratil	0.67%
Spark	0.65%
Coca-Cola Europacific Partners	0.63%
Shell	0.60%
CRH	0.58%
HCA Holdings	0.52%
Bank of Ireland Group	0.47%

## Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	15.12%	7%
New Zealand Fixed Interest	23.97%	25%
International Fixed Interest	36.45%	50.0%
New Zealand Equities	3.03%	1%
Australian Equities	4.90%	3%
International Equities	12.66%	9%
Listed Property	2.61%	5%
Other	1.26%	0.0%

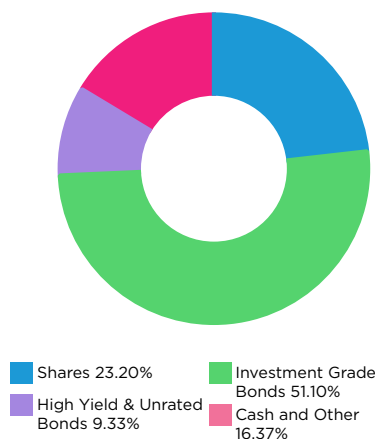
# The actual cash held by the Fund is 12.58%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

## Top Fixed Interest Holdings

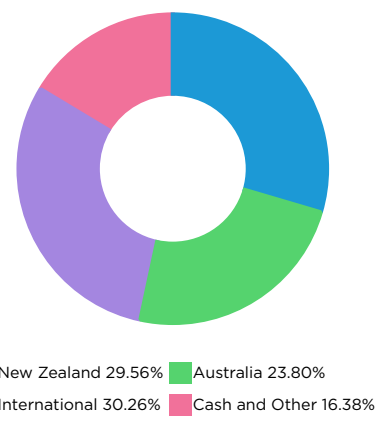
Holdings	% of Fund
NZGBI 2% 2025	1.97%
NZLGFA 4.5% 2030	1.96%
Westpac 5.1% 2029	1.30%
NZLGFA 1.5% 2026	1.16%
Housing NZ 3.42% 2028	1.11%
NZLGFA 1.5% 2029	1.07%
Origin Energy 2.65% 2027	1.00%
GTA Finance 2.2% 2027	0.99%
NAB 4.85% 2029	0.84%
LB Baden-Württemberg 5.25% 2029	0.83%

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

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