

Conservative Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 August 2025



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 0.7% in August, bringing the one-year return to 7.1%. Performance continues to be supported by increases in share markets, alongside positive performance from the bond portfolio.

Last month, Australian shares were an outperformer. Whilst the Fund has a minimal exposure to shares, a good proportion of this is in Australian shares, helping performance last month. Another highlight in our share portfolio was the ongoing performance from banks, notably Bank of America (+7.3%) and Bank of Ireland (+7.1%).

Global growth remains under pressure from US tariff policy, but there are policy supports coming in the form of fiscal easing in the US and Germany, as well as interest rate cuts in most developed markets. With policy turning supportive just as US inflation looks to be picking up, this risks stoking further inflation. This has implications for bonds as higher growth and inflation is bad for bond performance, particularly longer-dated ones. As a result, the Fund's bond investments are heavily concentrated in shorter-term and NZ bonds, both of which performed well last month. The Fund has avoided investing in long-term bonds.

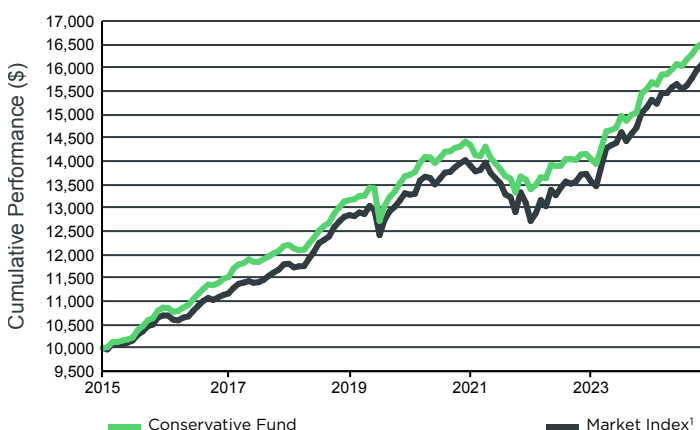
For share markets, stronger economic growth should be positive. But enthusiasm is tempered by elevated valuations and bullish investor sentiment. The Fund is using derivatives to remain invested in shares, but protect the Fund in the event of volatility in shares over the coming weeks.

To view Milford's August 2025 Market and Economic Review please see milfordasset.com/insights.

For previous fund reports see 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

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)	\$787.0 M
Yield ³	3.06%
Average Credit Rating	A
Duration	2.5 years
Buy-sell Spread	None - swing pricing applies (See PDS for details)
Inception Date	1 September 2015
Current Distribution	0.85 cents per unit (Quarterly)
Benchmark	Not applicable
Base Fund Fee ⁴	0.85%
Performance Fee	Not applicable
Total Fund Fees ⁵	0.85%

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

Conservative Fund as at 31 August 2025

Investment Performance after fees as at 31 August 2025⁶

Unit Price: \$1.3069

	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%	2.15%	7.05%	6.93%	3.99%	5.22%
After Tax 10.50%	0.69%	2.05%	6.60%	6.37%	3.72%	4.80%
After Tax 17.50%	0.67%	1.99%	6.30%	6.00%	3.55%	4.52%
After Tax 28.00%	0.62%	1.89%	5.85%	5.45%	3.28%	4.11%
Market Index ¹	1.04%	2.96%	7.21%	7.40%	4.06%	4.97%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	0.74%
NatWest Group	0.63%
Aena SME	0.61%
Amazon	0.60%
Microsoft	0.57%
SSE	0.52%
Bank of America	0.50%
Fiserv	0.45%
National Grid	0.44%
Bank of Ireland Group	0.43%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	20.76%	7%
New Zealand Fixed Interest	27.77%	25%
International Fixed Interest	32.86%	50.0%
New Zealand Equities	2.43%	1%
Australian Equities	5.26%	3%
International Equities	8.03%	9%
Listed Property	2.89%	5%
Other	0.00%	0.0%

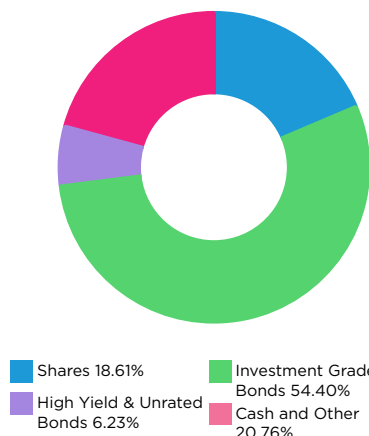
The actual cash held by the Fund is 15.18%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

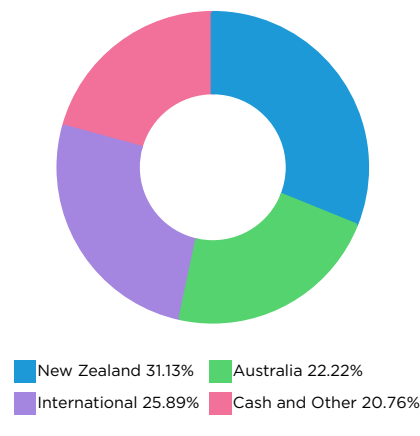
Holdings	% of Fund
NZ Govt. 4.5% 2035	4.73%
NZLGFA 2.25% 2031	3.00%
NZLGFA 3.5% 2033	1.68%
ASB Bank 4.1% 2030	1.18%
NZGBI 2% 2025	1.02%
NZ Govt. 3.5% 2033	1.00%
Housing NZ 3.42% 2028	0.96%
NZLGFA 4.5% 2030	0.96%
Rabobank NZ Float 2028	0.87%
Origin Energy 5.35% 2031	0.80%

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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