

Conservative Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 28 February 2023



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned -0.2% in February, bringing the one-year return to -0.4%. Shares and bonds were weaker across the board last month, but the Fund largely held on to the gains made in January.

Across shares, bonds and currencies we have adjusted our positions over the past month, as the outlook has changed. Stronger inflation data has reignited fears around further interest rate hikes. This sent bond yields higher (and bond prices lower) and also increased the possibility of a deeper recession down the track. As previously discussed, the Fund has been more heavily invested in bonds to harvest the strong yields on offer; but we did reduce our exposure in January and early February after a strong run in prices.

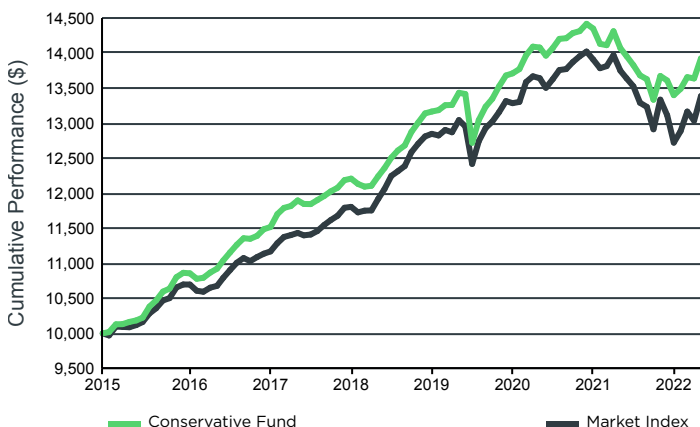
Shares also started the month strongly, allowing the Fund to lighten exposure, particularly in global shares. Finally in currency, a much weaker NZ dollar in February boosted performance as the Fund has been running a larger exposure to US and Australian dollars.

Looking ahead, the outlook is mixed. At some point high and rising interest rates will start to have significant impact on the global economy. In the meantime, high short-term interest rates offer good returns whilst we remain patient for better opportunities to emerge in shares.

To view Milford's March 2023 Market and Economic Review please see milfordasset.com/investor-centre.

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	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)	\$575.4 M
Yield³	5.00%
Average Credit Rating	BBB
Duration	2.14 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%

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

Conservative Fund as at 28 February 2023

Investment Performance after fees as at 28 February 2023⁶

Unit Price: \$1.173

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Conservative Fund (Gross Of Tax)	-0.20%	1.76%	-0.43%	1.18%	3.24%	4.49%
After Tax 10.50%	-0.18%	1.60%	-0.41%	1.14%	3.01%	4.12%
After Tax 17.50%	-0.16%	1.49%	-0.39%	1.10%	2.86%	3.88%
After Tax 28.00%	-0.14%	1.32%	-0.37%	1.06%	2.63%	3.52%
Market Index	-0.86%	0.79%	-2.70%	0.81%	3.09%	3.85%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	0.82%
Shell	0.60%
Telstra	0.58%
Elevance Health	0.58%
Ameren	0.57%
Origin Energy	0.56%
Spark	0.51%
HCA Holdings	0.49%
Goodman	0.48%
Getlink	0.48%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	21.82%	7%
New Zealand Fixed Interest	20.49%	25%
International Fixed Interest	45.68%	50.0%
New Zealand Equities	2.32%	1.5%
Australian Equities	1.71%	2.5%
International Equities	5.26%	9%
Listed Property	2.72%	5%
Other	0.00%	0.0%

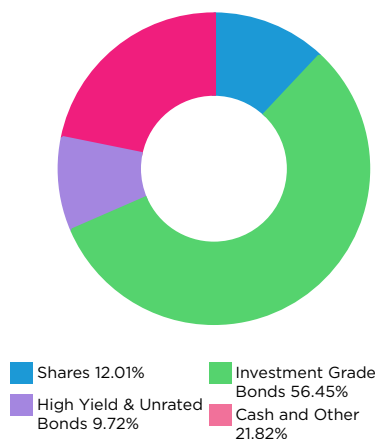
The actual cash held by the Fund is 9.51%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

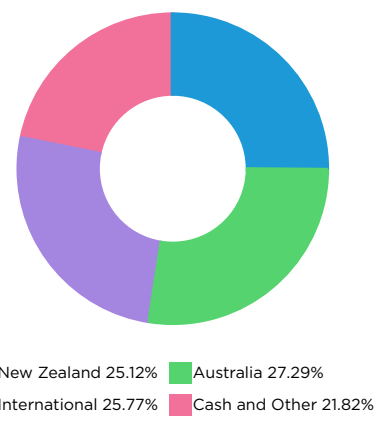
Holdings	% of Fund
NZLGFA 1.5% 2026	1.25%
NZGBI 2% 2025	1.23%
Housing NZ 3.42% 2028	1.22%
NZLGFA 1.5% 2029	1.13%
GTA Finance 2.2% 2027	1.08%
CBA 5.398% 2027	0.97%
Bank of Queensland Float 2027	0.97%
CBA 5% 2028	0.90%
NZLGFA 4.5% 2027	0.86%
Monash University 4.05% 2029	0.77%

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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