

Conservative Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 January 2023



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 2.1% in January, bringing the one year return to -1.0%.

Fund performance came primarily from the positive performance of bonds in January, building on the momentum in the bond market of the past few months. Corporate bonds were notable performers, justifying the Fund's increased position in these assets over the past six months. The tilt to NZ bonds also helped as weaker inflation and growth data in NZ has investors starting to question the path of interest rates going forward, sending bond prices higher.

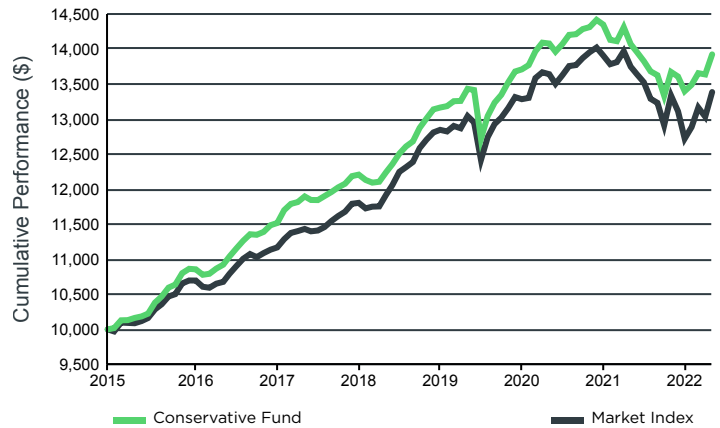
Shares rallied in January too, buoyed by positive news around China's reopening and a better than feared energy situation in Europe. Even though the Fund has a modest (around 10%) allocation to shares, these did contribute to returns in the month.

Looking ahead, share markets now reflect a better outlook and relative valuations of shares look poor compared to bond and cash investments. This justifies an ongoing underweight position in shares which should insulate the Fund from volatility whilst not foregoing returns, as cash and bonds offer reasonable alternatives. It is encouraging to see the Fund start to recoup the losses over the past year and the one year return is now only modestly negative. Given the current level of interest rates, forward looking return expectations for the Fund continue to be reasonable.

To view Milford's February 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)	\$579.1 M
Yield ³	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	0.7 cents per unit (Quarterly)
Benchmark	Not applicable
Base Fund Fee ⁴	0.95%
Performance Fee	Not applicable
Total Fund Fees ⁵	0.95%

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

Conservative Fund as at 31 January 2023

Investment Performance after fees as at 31 January 2023⁶

Unit Price: \$1.1754

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Conservative Fund (Gross Of Tax)	2.10%	3.22%	-1.04%	1.20%	3.20%	4.56%
After Tax 10.50%	1.95%	2.93%	-0.99%	1.13%	2.96%	4.19%
After Tax 17.50%	1.84%	2.75%	-0.95%	1.09%	2.81%	3.95%
After Tax 28.00%	1.69%	2.46%	-0.90%	1.02%	2.57%	3.58%
Market Index	2.70%	3.87%	-2.63%	0.87%	3.20%	4.01%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	0.83%
Elevance Health	0.59%
Telstra	0.58%
Shell	0.55%
Origin Energy	0.53%
Natwest	0.49%
HCA Holdings	0.48%
Goodman	0.48%
Getlink	0.46%
Spark	0.43%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	17.18%	7%
New Zealand Fixed Interest	21.95%	25%
International Fixed Interest	48.21%	50.0%
New Zealand Equities	1.96%	1.5%
Australian Equities	1.56%	2.5%
International Equities	5.99%	9%
Listed Property	2.66%	5%
Other	0.49%	0.0%

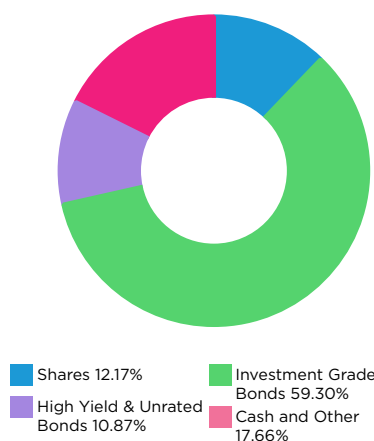
The actual cash held by the Fund is 6.16%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

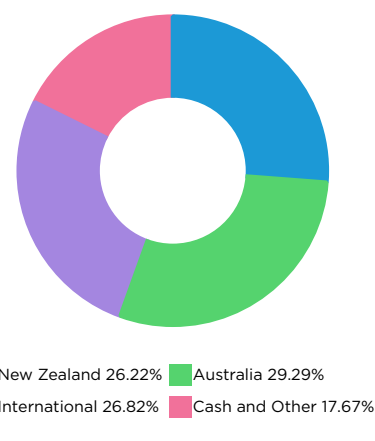
Holdings	% of Fund
CBA 5 2028	1.56%
NZLGFA 1.5% 2026	1.26%
Housing NZ 3.42% 2028	1.24%
NZGBI 2% 2025	1.23%
NZLGFA 1.5% 2029	1.15%
GTA Finance 2.2% 2027	1.10%
Bank of Queensland Float 2027	0.96%
CBA 5.398% 2027	0.94%
NZLGFA 4.5% 2027	0.87%
NZLGFA 2.25% 2031	0.81%

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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