

Conservative Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 July 2022



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 2.5% in July bringing the 1-year return to -4.5%. Strong rebounds in both bond and share markets in July allowed the Fund to more than recoup the losses seen in June. Whilst this is a welcome respite from the string of weaker markets seen this year, we remain concerned about the outlook and retain a cautious stance in the Fund.

Performance in July was boosted by a strong performance from corporate bonds, a position we had been adding to previously. The Fund's small share exposure helped too with outside moves by stocks such as HCA Healthcare and Intuit, up 26.4% and 18.5% respectively, on the back of reporting strong results. The strength in bonds was due to weaker growth and expectations that inflation will subside, leading central banks to slow, stop and then reverse interest rate hikes soon. We are sceptical of this view; inflation is unlikely to dissipate as quickly as market participants expect.

As a result, we will be using any strength in corporate bonds to reduce some exposure, whilst retaining confidence in the companies that we do own. The Fund's share exposure is likely to remain at minimum levels of around 10%, reflecting the cautious outlook.

To view Milford's August 2022 Market and Economic Review please see milfordasset.com/fact-sheet.

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)	\$584.4 M
Yield ³	4.13%
Average Credit Rating	BBB+
Duration	2.64 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 Fee ⁴	0.95%
Performance Fee	Not applicable
Total Fund Fees ⁵	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 31 July 2022

Investment Performance after fees as at 31 July 2022⁶

Unit Price: \$1.1647

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Conservative Fund (Gross Of Tax)	2.54%	-0.07%	-4.47%	1.67%	3.72%	4.63%
After Tax 10.50%	2.38%	-0.11%	-4.03%	1.57%	3.45%	4.25%
After Tax 17.50%	2.27%	-0.14%	-3.74%	1.50%	3.27%	4.01%
After Tax 28.00%	2.11%	-0.18%	-3.30%	1.40%	3.01%	3.64%
Market Index ¹	3.27%	0.33%	-4.44%	1.62%	3.76%	4.25%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	0.66%
Goodman	0.46%
Getlink	0.45%
HCA Holdings	0.43%
Natwest	0.37%
Elevance Health	0.36%
Telstra	0.35%
Charter Hall Retail	0.34%
Boston Scientific	0.32%
Transurban	0.32%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash [#]	23.04%	7.0%
New Zealand Fixed Interest	22.75%	25.0%
International Fixed Interest	44.13%	50.0%
New Zealand Equities	1.70%	1.5%
Australian Equities	1.65%	2.5%
International Equities	3.74%	9.0%
Listed Property	2.99%	5.0%
Other	0.00%	0.0%

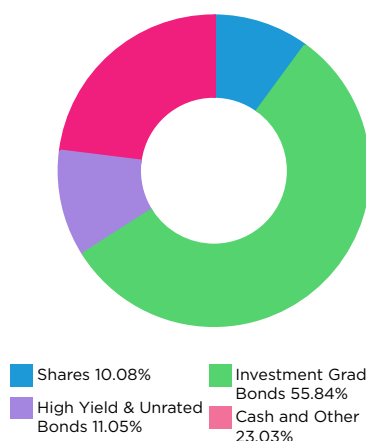
[#] The actual cash held by the Fund is 13.58%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

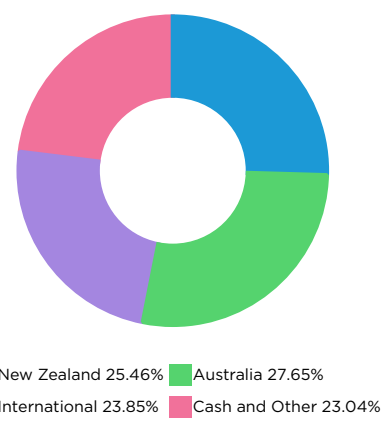
Holdings	% of Fund
NZLGFA 2.25% 2028	1.50%
NZLGFA 1.5% 2026	1.32%
NZLGFA 2.25% 2024	1.21%
NZGBI 2% 2025	1.20%
NZLGFA 4.5% 2027	0.93%
Genesis 5.66% 2027	0.87%
NZLGFA 2.25% 2031	0.87%
CBA 2.552% 2027	0.84%
Monash University 4.05% 2029	0.84%
John Deere 1.75% 2024	0.71%

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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