

Conservative Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 June 2023



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned -0.1% in June, bringing the one-year return to 5.2%. The Fund continues to deliver steadily positive returns with low levels of volatility.

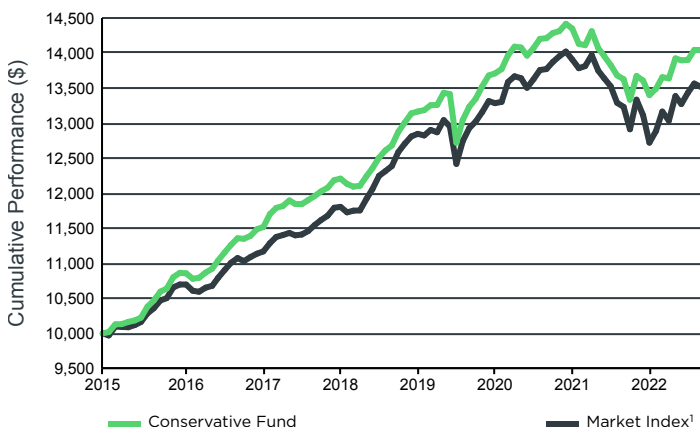
We have noted that cash and bonds have become much more attractive investments over the past year as interest rates have risen. The global economy has proven more resilient than expected, which has resulted in incrementally higher interest rate expectations. This has been a headwind to bond prices, partially offsetting the return from higher yields. But as the global economy slows, central banks will reach a peak in their hiking cycle. Indeed, last month saw the RBNZ declare that their hiking cycle is over. This process of peaking interest rates should end the bond price headwinds and allow investors to start enjoying the full benefits of higher interest rates and bond yields on their investments.

A gradually slowing global economy is also likely to weigh on global share prices that have rallied sharply in the past six months. Whilst we are still able to find some attractive share investments, for the Fund, the extended valuations of shares mean that investments have been kept to a minimum. This approach allows for optimism about the outlook for returns, even as we are wary of a slowing global economy.

To view Milford's June 2023 Market and Economic Review please see milfordasset.com/insights.

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)	\$563.3 M
Yield³	5.15%
Average Credit Rating	BBB+
Duration	2.34 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 Fee⁴	0.95%
Performance Fee	Not applicable
Total Fund Fees⁵	0.95%
Risk Indicator	<div style="display: flex; justify-content: space-between; align-items: center;"> Lower risk Higher risk </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> Potentially lower returns Potentially higher returns </div>

Conservative Fund as at 30 June 2023

Investment Performance after fees as at 30 June 2023⁶

Unit Price: \$1.1766

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Conservative Fund (Gross Of Tax)	-0.12%	0.90%	5.20%	1.67%	3.13%	4.42%
After Tax 10.50%	-0.07%	0.90%	4.84%	1.63%	2.90%	4.06%
After Tax 17.50%	-0.04%	0.90%	4.60%	1.61%	2.75%	3.83%
After Tax 28.00%	0.01%	0.91%	4.24%	1.56%	2.52%	3.48%
Market Index ¹	0.33%	0.96%	5.04%	1.37%	3.14%	3.97%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	0.82%
Elevance Health	0.61%
HCA Holdings	0.61%
Spark	0.59%
Ameren	0.57%
Coca-Cola Europacific Partners	0.54%
Shell	0.53%
APA	0.47%
Bank of Ireland Group	0.40%
Goodman	0.39%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash [#]	12.83%	7%
New Zealand Fixed Interest	24.55%	25%
International Fixed Interest	48.52%	50.0%
New Zealand Equities	2.64%	1.5%
Australian Equities	2.13%	2.5%
International Equities	6.84%	9%
Listed Property	2.22%	5%
Other	0.27%	0.0%

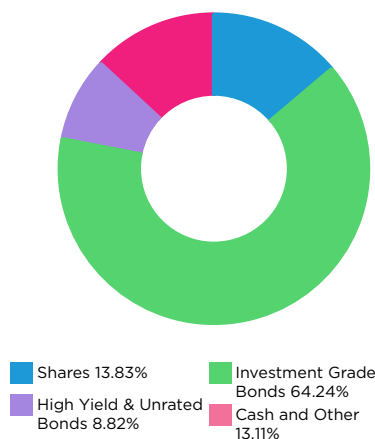
[#] The actual cash held by the Fund is 5.19%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

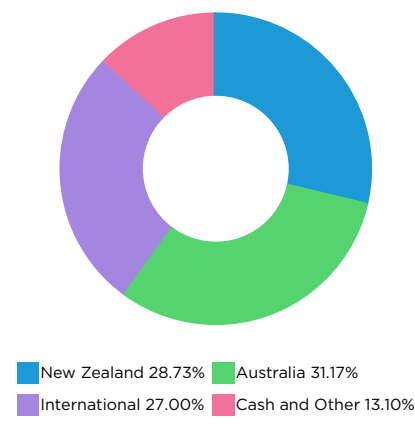
Holdings	% of Fund
NZGBI 2% 2025	4.44%
NZLGFA 1.5% 2026	1.13%
Housing NZ 3.42% 2028	1.09%
NZLGFA 1.5% 2029	1.02%
GTA Finance 2.2% 2027	0.97%
Westpac 6.934% 2038	0.93%
CBA 5.398% 2027	0.88%
Bank of Queensland Float 2027	0.86%
Telstra 4.9% 2028	0.82%
NAB 4.2% 2026	0.82%

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.

Disclaimer: The Milford Fund Fact Sheet has been prepared by Milford Funds Limited. It is based on information believed to be accurate and reliable although no guarantee can be given that this is the case. No reproduction of any material either in part or in full is permitted without prior permission. For more information about the Fund, please refer to the Production Disclosure Statement or the latest Quarterly Fund Update.