

# Conservative Fund

## Portfolio Investment Entity

### Monthly Fact Sheet as at 31 March 2024



## Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

The Fund returned 1.7% in March, bringing the one-year return to 7.7%. It was a strong month of returns, capping off a run of five positive months. Returns in March were partly from a strong performance from a wide range of our stock picks. The rally in global shares broadened out and many of the Fund's top stock holdings delivered returns of over 5% in March, building on larger returns over recent months.

Even though the Fund's exposure to shares is small, strong performance still helps. Performance was also helped by the Fund's bond holdings – solid yields are continuing to deliver positive income from our corporate bonds, even as price appreciation has slowed over recent months. Looking forward, these solid yields will continue to underpin returns. Fears over global economic weakness have receded and central banks are looking to cut rates, even as inflation is yet to fully return to target.

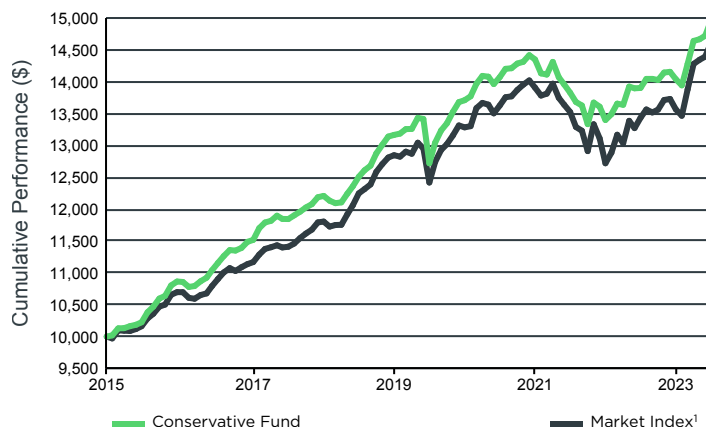
These fundamentals are positive for shares but sentiment and valuations are elevated, keeping us wary and very tactical on overall exposure. These same ingredients bode poorly for long term bonds and we continue to avoid exposure to these assets. Changes in price or fundamentals will shift that view and so, here too, we continue to be tactical in our exposure. Finally, we are moderating our overweight exposure to corporate bonds after a strong run. These now have less valuation support and we are looking for better entry opportunities in the months ahead.

To view Milford's March 2024 Market and Economic Review please see [milfordasset.com/insights](https://milfordasset.com/insights).

For previous fund reports see [milfordasset.com/fund-reports](https://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

<b>Objective<sup>2</sup></b>	To provide moderate returns and protect capital over the minimum recommended investment timeframe
<b>Description</b>	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

<b>Minimum recommended investment timeframe</b>	3 years +
<b>Target Allocation</b>	82% Income Assets / 18% Growth Assets
<b>Neutral FX Exposure</b>	0%
<b>Net Asset Value (NAV)</b>	\$527.8 M
<b>Yield<sup>3</sup></b>	4.65%
<b>Average Credit Rating</b>	BBB+
<b>Duration</b>	1.56 years
<b>Buy-sell Spread</b>	None - swing pricing applies (See PDS for details)
<b>Inception Date</b>	1 September 2015
<b>Current Distribution</b>	0.95 cents per unit (Quarterly)
<b>Benchmark</b>	Not applicable
<b>Base Fund Fee<sup>4</sup></b>	0.95%
<b>Performance Fee</b>	Not applicable
<b>Total Fund Fees<sup>5</sup></b>	0.95%

<b>Risk Indicator</b>	<div style="display: flex; justify-content: space-around; align-items: center;"> <span>Lower risk</span> <span>1</span> <span>2</span> <span style="border: 2px solid green; border-radius: 50%; padding: 2px;">3</span> <span>4</span> <span>5</span> <span>6</span> <span>7</span> <span>Higher risk</span> </div>
	<div style="display: flex; justify-content: space-between; width: 100%;"> <span>Potentially lower returns</span> <span>Potentially higher returns</span> </div>

## Conservative Fund as at 31 March 2024

### Investment Performance after fees as at 31 March 2024<sup>6</sup>

Unit Price: \$1.23

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Conservative Fund (Gross Of Tax)	1.67%	2.23%	7.66%	2.08%	3.65%	4.81%
After Tax 10.50%	1.59%	2.13%	7.07%	1.97%	3.38%	4.42%
After Tax 17.50%	1.54%	2.06%	6.69%	1.89%	3.21%	4.16%
After Tax 28.00%	1.46%	1.96%	6.11%	1.78%	2.94%	3.78%
Market Index <sup>1</sup>	1.57%	2.38%	8.82%	2.37%	3.60%	4.52%

### Top Equity Holdings

Holdings	% of Fund
Contact Energy	0.90%
Shell	0.70%
Spark	0.68%
HCA Holdings	0.60%
Telstra	0.54%
Bank of Ireland Group	0.53%
Elevance Health	0.53%
Coca-Cola Europacific Partners	0.51%
Aena SME	0.37%
Natwest	0.37%

### Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	18.54%	7%
New Zealand Fixed Interest	25.20%	25%
International Fixed Interest	39.69%	50.0%
New Zealand Equities	2.75%	1%
Australian Equities	3.23%	3%
International Equities	8.99%	9%
Listed Property	1.60%	5%
Other	0.00%	0.0%

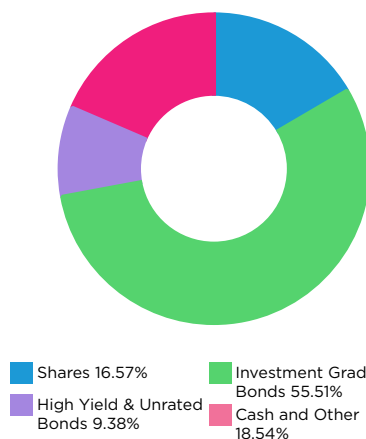
# The actual cash held by the Fund is 12.73%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

### Top Fixed Interest Holdings

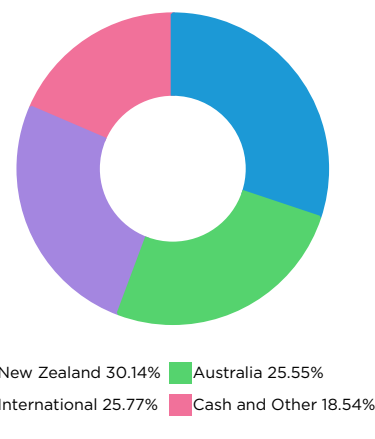
Holdings	% of Fund
NZGBI 2% 2025	4.77%
NZLGFA 4.5% 2030	1.54%
ANZ 4.95% 2029	1.24%
NZLGFA 1.5% 2026	1.18%
Housing NZ 3.42% 2028	1.13%
NZLGFA 1.5% 2029	1.08%
GTA Finance 2.2% 2027	1.02%
Westpac 5.754% 2034	0.95%
NAB 4.85% 2029	0.85%
Contact 6.398% 2030	0.80%

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](http://milfordasset.com/fact-sheet) for more information about the data published within this document.

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