

Conservative Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 March 2025



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund fell 0.3% in March, bringing the one-year return to 7.2%. The Fund was confronted with significant volatility in shares last month, but managed to avoid much of the falls. This was achieved via active management of overall exposure to shares, in addition to more defensive stock selection in the underlying funds.

In February we became more concerned about a slowing in US economic growth. At the time, this was not expected by investors, nor priced in the valuations of shares. Despite the already modest exposure to shares in the Fund, we significantly reduced US share exposure and increased US bond exposure to prepare for any potential slowing. Last month, evidence of slowing became more widespread, sending shares lower and bonds higher.

Furthermore, the types of stocks the Fund holds had been heavily tilted towards defensive stocks such as utilities and telecommunication companies. This meant some of our stocks delivered positive monthly returns in spite of the broader falls. For example, telecommunication companies KPN (+6.4%) and BT Group (+3.8%), and German utility company E.ON (+13.7%). Bond returns for the Fund were modest last month, with positive returns from the move in market interest rates offset by some weakness in corporate bonds.

Looking ahead, April will hopefully herald some clarity on tariff policies, which may provide some respite for shares in the form of reduced uncertainty. However, the pace of growth for the US economy is slowing and tariffs could impact global growth. This is likely to support bonds and be a headwind to shares in the next couple of months. We look forward to some good investment opportunities emerging once we make it through the short-term policy driven noise.

To view Milford's March 2025 Market and Economic Review please see milfordasset.com/insights.

For previous fund reports see 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

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)	\$662.6 M
Yield ³	3.63%
Average Credit Rating	BBB+
Duration	2.6 years
Buy-sell Spread	None - swing pricing applies (See PDS for details)
Inception Date	1 September 2015
Current Distribution	0.95 cents per unit (Quarterly)
Benchmark	Not applicable
Base Fund Fee ⁴	0.85%
Performance Fee	Not applicable
Total Fund Fees ⁵	0.85%

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

Conservative Fund as at 31 March 2025

Investment Performance after fees as at 31 March 2025⁶

Unit Price: \$1.2771

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Conservative Fund (Gross Of Tax)	-0.25%	1.12%	7.16%	5.07%	4.75%	5.05%
After Tax 10.50%	-0.29%	0.98%	6.47%	4.61%	4.40%	4.63%
After Tax 17.50%	-0.33%	0.89%	6.02%	4.30%	4.17%	4.35%
After Tax 28.00%	-0.37%	0.75%	5.34%	3.84%	3.82%	3.94%
Market Index ¹	-0.68%	0.56%	6.32%	4.74%	4.59%	4.71%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	0.90%
Microsoft	0.73%
NatWest Group	0.63%
Bank of America	0.58%
Aena SME	0.57%
Shell	0.55%
APA	0.48%
Spark	0.44%
SSE	0.44%
Segro	0.43%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	24.41%	7%
New Zealand Fixed Interest	20.80%	25%
International Fixed Interest	38.09%	50.0%
New Zealand Equities	2.66%	1%
Australian Equities	3.50%	3%
International Equities	7.27%	9%
Listed Property	3.27%	5%
Other	0.00%	0.0%

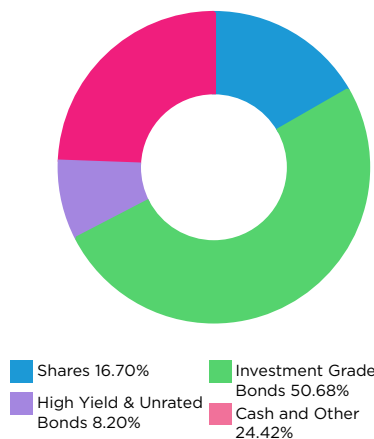
The actual cash held by the Fund is 14.99%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

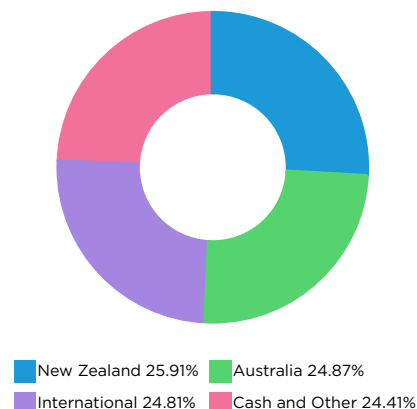
Holdings	% of Fund
NZLGFA 4.5% 2030	1.63%
NZGBI 2% 2025	1.33%
Origin Energy 5.35% 2031	1.23%
NZLGFA 2.25% 2031	1.04%
Housing NZ 3.42% 2028	0.92%
NZLGFA 3.5% 2033	0.92%
NZLGFA 1.5% 2029	0.90%
Progress Trust RMBS 2050	0.88%
EnBW International Finance 6.048% 2034	0.85%
GTA Finance 2.2% 2027	0.85%

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.

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