

Conservative Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 May 2023



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund had a flat return in May, with a one-year return of 3.1%. The muted monthly performance masks an awful lot going on under the surface in shares, bonds and currencies.

Broad bond prices fell in May as broad market interest rates were higher. But this was partially offset by the strong bond yields that are now on offer, as well as strength in bank bonds. These continue to recover from the weakness seen in the wake of the Credit Suisse failure. Within shares, performance of global share markets was supported by a small handful of perceived AI beneficiaries. Some of our holdings are exposed to this trend, notably Google (+14.5%), Microsoft (+7.1%) and Amazon (+14.3%).

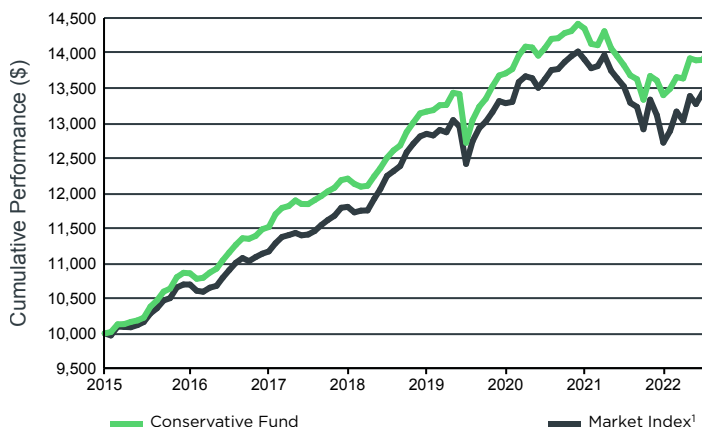
The announcement from the RBNZ that it has completed its hiking cycle surprised markets. The Fund benefitted from the resultant fall in the NZ dollar as around 4.5% of the Fund is currently exposed to foreign currencies.

Looking ahead, the outlook for returns is boosted by the -6% yield on the Fund coupled with myriad opportunities for us to add value in asset allocation. Additionally, performance from shares is more likely to be delivered by stock selection than broad market gains.

To view Milford's May 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)	\$570.7 M
Yield³	6.10%
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%

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

Conservative Fund as at 31 May 2023

Investment Performance after fees as at 31 May 2023⁶

Unit Price: \$1.1781

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Conservative Fund (Gross Of Tax)	0.00%	1.06%	3.06%	2.00%	3.26%	4.48%
After Tax 10.50%	0.00%	0.98%	2.78%	1.91%	3.02%	4.12%
After Tax 17.50%	0.00%	0.92%	2.60%	1.85%	2.86%	3.88%
After Tax 28.00%	0.00%	0.84%	2.32%	1.76%	2.62%	3.52%
Market Index ¹	-0.34%	1.86%	2.16%	1.50%	3.20%	3.97%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	0.82%
Elevance Health	0.61%
Ameren	0.60%
Spark	0.56%
Coca-Cola	0.53%
HCA Holdings	0.52%
Shell	0.51%
APA	0.49%
Telstra	0.48%
Getlink	0.42%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash [#]	12.96%	7%
New Zealand Fixed Interest	24.97%	25%
International Fixed Interest	47.62%	50.0%
New Zealand Equities	2.19%	1.5%
Australian Equities	2.43%	2.5%
International Equities	7.40%	9%
Listed Property	2.43%	5%
Other	0.00%	0.0%

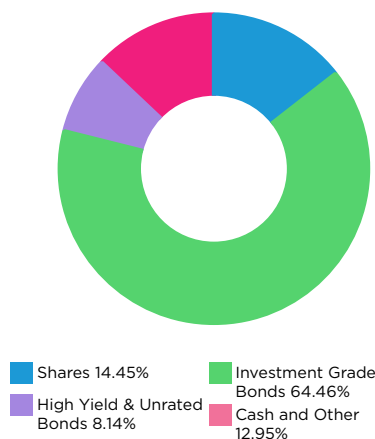
[#] The actual cash held by the Fund is 5.32%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

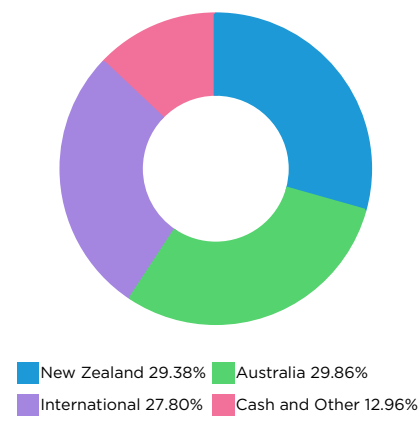
Holdings	% of Fund
NZGBI 2% 2025	4.59%
NZLGFA 1.5% 2026	1.16%
Housing NZ 3.42% 2028	1.12%
NZLGFA 1.5% 2029	1.06%
GTA Finance 2.2% 2027	1.01%
CBA 5.398% 2027	0.92%
Contact 5.62% 2029	0.91%
Bank of Queensland Float 2027	0.87%
TESAG 4.9% 2028	0.86%
NAB 4.2% 2026	0.84%

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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