

# Conservative Fund

## Portfolio Investment Entity

### Monthly Fact Sheet as at 31 May 2025



## Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

The Fund returned 0.7% in May, bringing the one-year return to 8.6%. Global share markets continued to rally last month, helping drive the Fund returns higher and more than recouping the modest losses the Fund saw earlier in the year.

Shares are being driven higher as Trump retreats from his more aggressive tariff policies and investors are becoming excited again about the prospect of increased government spending. Even though the Fund has a modest allocation to shares, strong performance from some of our key picks helped returns last month. These included the European banks such as Bank of Ireland (+17.0%) and NatWest Group (+9.7%). Locally, real estate company Precinct Properties (+9.0%) was also a solid performer.

Global bond markets were flat in May, but our holdings delivered positive performance as shorter-dated corporate bonds outperformed longer-dated government bonds. We continue to avoid owning longer-dated bonds as these are most at risk from wasteful government spending policies (most notably in the US).

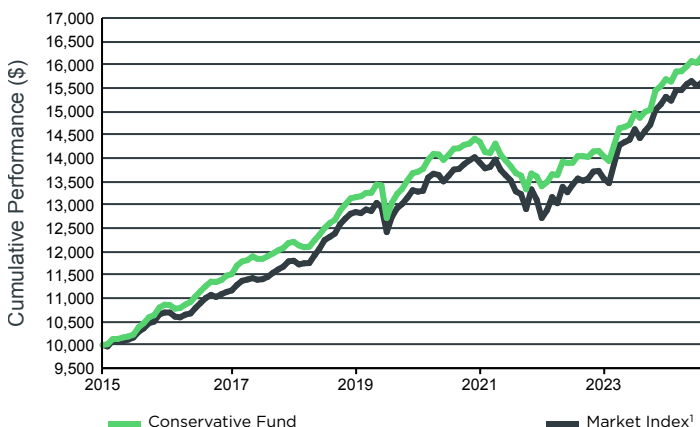
Looking ahead, shares are pricing a relatively sanguine outlook as broad valuations are becoming stretched again. Tariff policies will be a modest drag, as will ongoing uncertainty but the global economy remains on a relatively solid footing. The Fund therefore maintains a modestly cautious exposure to shares. Meanwhile, the outlook for returns remains reasonable as returns from our bond holdings look appealing versus cash.

To view Milford's May 2025 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

### Objective<sup>2</sup>

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

<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>	\$709.4 M
<b>Yield<sup>3</sup></b>	3.35%
<b>Average Credit Rating</b>	BBB+
<b>Duration</b>	2.2 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>	0.85 cents per unit (Quarterly)
<b>Benchmark</b>	Not applicable
<b>Base Fund Fee<sup>4</sup></b>	0.85%
<b>Performance Fee</b>	Not applicable
<b>Total Fund Fees<sup>5</sup></b>	0.85%

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

## Conservative Fund as at 31 May 2025

### Investment Performance after fees as at 31 May 2025<sup>6</sup>

Unit Price: \$1.288

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Conservative Fund (Gross Of Tax)	0.69%	1.30%	8.63%	6.12%	4.24%	5.13%
After Tax 10.50%	0.70%	1.19%	7.92%	5.60%	3.93%	4.71%
After Tax 17.50%	0.70%	1.12%	7.46%	5.26%	3.73%	4.43%
After Tax 28.00%	0.71%	1.02%	6.76%	4.75%	3.43%	4.02%
Market Index <sup>1</sup>	1.00%	0.80%	8.15%	6.04%	4.06%	4.79%

### Top Equity Holdings

Holdings	% of Fund
Contact Energy	0.89%
NatWest Group	0.74%
Aena SME	0.60%
Bank of America	0.59%
SSE	0.56%
National Grid	0.51%
Segro	0.49%
Bank of Ireland Group	0.47%
Fiserv	0.45%
Precinct	0.44%

### Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	22.93%	7%
New Zealand Fixed Interest	24.39%	25%
International Fixed Interest	36.43%	50.0%
New Zealand Equities	2.94%	1%
Australian Equities	3.94%	3%
International Equities	6.13%	9%
Listed Property	3.02%	5%
Other	0.22%	0.0%

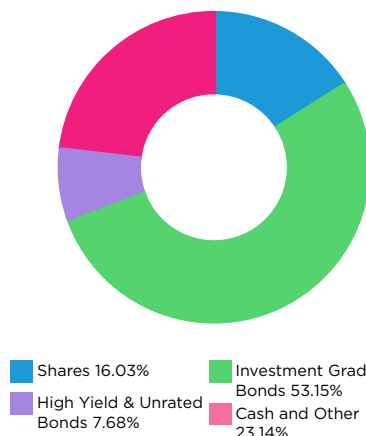
# The actual cash held by the Fund is 13.08%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

### Top Fixed Interest Holdings

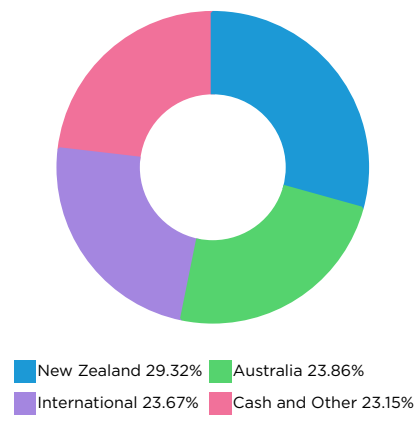
Holdings	% of Fund
NZ Govt. 4.5% 2035	5.16%
NZGBI 2% 2025	1.27%
Origin Energy 5.35% 2031	1.18%
NZ Govt. 3.5% 2033	1.17%
NZLGFA 4.5% 2030	1.16%
NZLGFA 3.5% 2033	1.05%
NZLGFA 2.25% 2031	0.99%
Housing NZ 3.42% 2028	0.86%
NZLGFA 1.5% 2029	0.84%
GTA Finance 2.2% 2027	0.80%

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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