

# Conservative Fund

## Portfolio Investment Entity

### Monthly Fact Sheet as at 31 October 2025



## Portfolio Managers



**Mark Riggall**  
Portfolio Manager



**Paul Morris**  
Co-Portfolio Manager

In October, the Fund returned 0.7%, bringing the one-year return to 7.6%. The Fund keeps delivering positive returns, supported by ongoing rises in asset prices.

Global shares rallied last month, powered by the ongoing enthusiasm around Artificial Intelligence. More relevant for the Fund though was the strong performance from some of our UK holdings, including NatWest Group Bank (+12.0%) and utility company SSE plc (+10.0%). This performance was driven by a lower-than-expected inflation print in the UK, setting in motion an expectation that the Bank of England can now embark on a deeper interest rate cutting cycle.

The Fund has also been heavily invested in UK short-term bonds, a position that has now started to benefit from this change in fortunes for the UK. Elsewhere, the Fund has reduced exposure to US bonds and we are wary of ongoing weakness in these as US inflation remains sticky and the bonds are poor value. Whilst the Fund is relatively fully invested from a share perspective, the type of companies that we own are typically very low-risk. Furthermore, we have employed risk management strategies in the Fund to protect against the risk that share markets are shaken from their enthusiasm around AI.

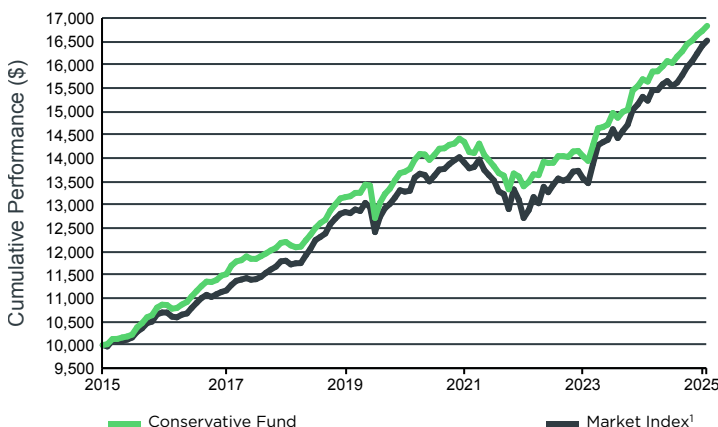
Meanwhile, we continue to think medium-term returns can continue to be reasonable given yields from bond holdings and opportunities in stocks.

To view Milford's October 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

Minimum recommended investment timeframe	3 years +
Target Allocation	82% Income Assets / 18% Growth Assets
Neutral FX Exposure	0%
Net Asset Value (NAV)	\$853.1 M
Yield <sup>3</sup>	2.65%
Average Credit Rating	A-
Duration	2.44 years
Buy-sell Spread	None - swing pricing applies (See PDS for details)
Inception Date	1 September 2015
Current Distribution	0.85 cents per unit (Quarterly)
Benchmark	Not applicable
Base Fund Fee <sup>4</sup>	0.85%
Performance Fee	Not applicable
Total Fund Fees <sup>5</sup>	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 October 2025

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

Unit Price: \$1.3134

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Conservative Fund (Gross Of Tax)	0.67%	1.91%	7.62%	7.65%	4.10%	5.25%
After Tax 10.50%	0.63%	1.81%	7.16%	7.05%	3.83%	4.84%
After Tax 17.50%	0.61%	1.74%	6.85%	6.65%	3.65%	4.56%
After Tax 28.00%	0.57%	1.64%	6.39%	6.05%	3.39%	4.14%
Market Index <sup>1</sup>	0.69%	2.75%	8.44%	8.62%	4.42%	5.06%

### Top Equity Holdings

Holdings	% of Fund
Microsoft	0.81%
NatWest Group	0.69%
Contact Energy	0.68%
Amazon	0.67%
SSE	0.57%
Aena SME	0.57%
Bank of America	0.55%
Precinct	0.49%
National Grid	0.46%
Goodman	0.44%

### Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	18.31%	7%
New Zealand Fixed Interest	28.16%	25%
International Fixed Interest	32.95%	50.0%
New Zealand Equities	2.45%	1%
Australian Equities	4.80%	3%
International Equities	9.40%	9%
Listed Property	3.93%	5%
Other	0.00%	0.0%

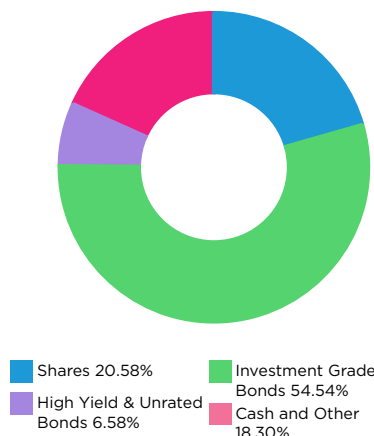
# The actual cash held by the Fund is 13.20%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

### Top Fixed Interest Holdings

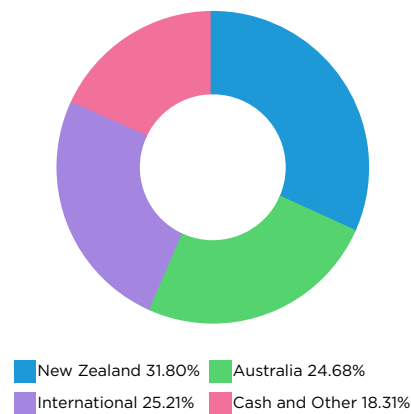
Holdings	% of Fund
NZ Govt. 4.5% 2035	4.56%
NZLGFA 2.25% 2031	2.98%
NZLGFA 3.5% 2033	1.73%
NZLGFA 4.5% 2030	1.02%
Housing NZ 3.42% 2028	1.00%
NZ Govt. 3.5% 2033	1.00%
Rabobank NZ Float 2028	0.88%
NZLGFA 1.5% 2029	0.73%
Westpac 4.337% 2029	0.72%
ASB Bank 4.1% 2030	0.72%

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.

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 Product Disclosure Statement or the latest Quarterly Fund Update.