

Conservative Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 April 2019



Portfolio Managers



Paul Morris
Portfolio Manager



Mark Riggall
Co-Portfolio Manager

The Fund returned 0.8% in April, with positive contributions across its broad asset classes, contributing to a 1-year return of 5.9%.

Corporate bonds, in particular global corporate bonds, continued to deliver reasonable returns, outperforming government bonds. There was a notably strong performance from the Fund's global shares. Australasian shares also contributed positively but as market interest rates stabilised our income share focus did not outperform the broader market.

Bonds and shares are benefiting from central banks' recent shifts towards supportive monetary policy. Markets have also seen evidence to suggest economic growth and company earnings may be better than previously expected. We remain wary of valuations in parts of financial markets and are cognisant of late cycle risks. Nevertheless, acknowledging receding near-term risks, we slightly increased share exposure (using options as a lower risk approach), albeit this remains lower than our long-run neutral.

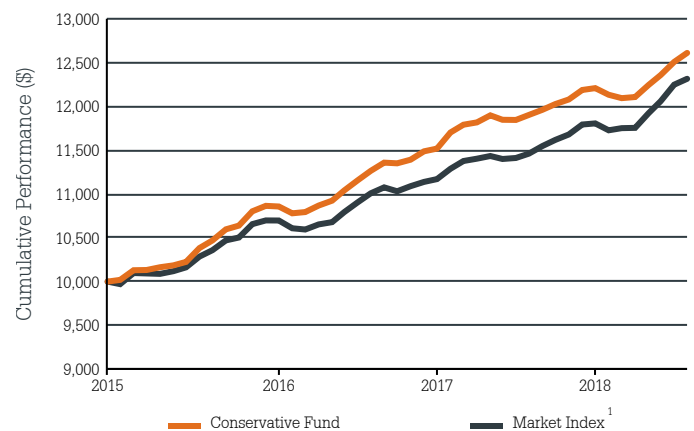
With market interest rates anchored by possible rate cuts, the Fund's interest rate exposure is higher than last year, but is still low. Looking forward, a low interest rate environment, combined with corporate earnings

that may benefit from an extension to the economic cycle, should underpin moderate Fund returns but given valuations these are likely to be lower than in recent years.

To view Milford's May 2019 Market and Economic Review please [click here](#).

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	Moderate returns and protect capital over a minimum of three years
Description	Diversified fund that primarily invests in fixed interest securities, with a moderate allocation to equities
Target Allocation	82% Income Assets / 18% Growth Assets
Neutral FX Exposure	0%
Net Asset Value (NAV)	\$248.0 M
Yield³	3.34%
Average Credit Rating	A-
Duration	1.99 years
Buy-sell Spread	None

Inception Date	1 September 2015
Current Distribution	0.75 cents per unit (Quarterly)
Benchmark	Not applicable
Base Fund Fee⁴	0.95%
Performance Fee	Not applicable
Total Fund Fees⁵	0.95%
Risk Indicator	<div style="display: flex; justify-content: space-between;"> Lower risk Higher risk </div> <div style="text-align: center;"> <p>1 2 3 4 5 6 7</p> </div> <div style="display: flex; justify-content: space-between;"> Potentially lower returns Potentially higher returns </div>

Investment Performance after fees as at 30 April 2019⁶

Unit Price: \$1.139

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Conservative Fund (Gross Of Tax)	0.82%	2.99%	5.95%	6.40%	-	6.53%
After Tax 10.50%	0.77%	2.80%	5.49%	5.84%	-	5.97%
After Tax 17.50%	0.73%	2.66%	5.19%	5.46%	-	5.60%
After Tax 28.00%	0.68%	2.47%	4.74%	4.90%	-	5.04%
Market Index ¹	0.55%	3.30%	7.45%	5.93%	-	5.85%

Top Equity Holdings

Holdings	% of Fund's NAV
Contact Energy	0.74%
Meridian Energy	0.42%
Argosy Property	0.36%
Kiwi Property Group	0.34%
Mirvac Group	0.34%
Spark New Zealand	0.33%
Charter Hall Education Trust	0.31%
Goodman Group	0.27%
Charter Hall Long Wale REIT	0.26%
Aventus Retail Property	0.25%

Current Asset Allocation

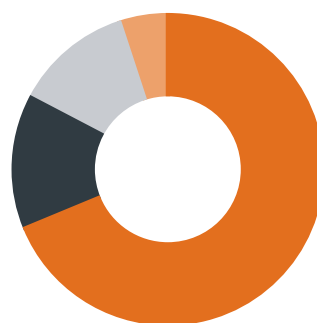
	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	4.89%	6.00%
New Zealand Fixed Interest	34.39%	35.00%
International Fixed Interest	46.64%	41.00%
New Zealand Equities	2.51%	3.00%
Australian Equities	1.36%	3.00%
International Equities	5.93%	8.00%
Listed Property	4.12%	4.00%
Other	0.16%	0%

Top Fixed Interest Holdings

Holdings	% of Fund's NAV
ASB Bank 6.65% 2024	4.02%
OBE 6.75% 2044	1.44%
ANZ 2.78% 2019	1.41%
ANZ Bank Float 2022	1.39%
NZ Govt. Inflation Indexed 2% 2025	1.33%
ANZ Bank 3.03% 2024	1.32%
NAB Float 2024	1.29%
Investore Property 4.40% 2024	1.24%
BNZ 3.648% 2023	1.18%
IAG Float 2045	1.17%

Note: Fixed interest securities are reported in the following format: Issuer name, interest (coupon rate), maturity year.

Fund Portfolio Mix



Country 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' [here](#) for more information about the data published within this document.

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