

Conservative Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 June 2019



Portfolio Managers



Paul Morris
Portfolio Manager



Mark Riggall
Co-Portfolio Manager

The Fund returned 1.5% in June, and 7.1% over the past year, as markets shrugged off slowing economic growth and volatile geopolitics (most notably tariffs) to focus on the increasing likelihood of lower central bank interest rates.

The Fund's corporate bond holdings benefited directly from the resulting lower market interest rates, outperforming similar maturity government bonds. The share exposure also delivered strong returns, especially its Australasian shares where the focus remains on income shares. The extent of these gains was in part due to anticipation that the economic/earnings cycle can be extended by central bank actions. In reality it was arguably as much due to a hunt for yield as the share of negative yielding global bonds hit a new record high.

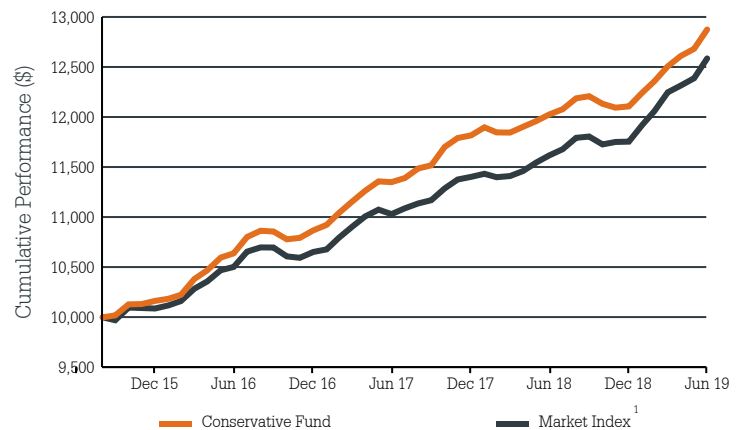
We remain in a very uncertain economic backdrop and event risk (including presidential tweets) is still elevated. Therefore, irrespective of supportive monetary policy the Fund retains slightly cautious positioning. That means less shares and more corporate bonds relative to its long-run average.

Through active management and security selection we have, and should continue to, deliver reasonable but lower risk returns. For now, monetary policy and reasonable corporate earnings should support returns, however, we reiterate that after recent strong gains across bonds and shares returns should start to moderate.

To view Milford's July 2019 Market and Economic Review please see milfordasset.com/fact-sheet.

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)	\$277.2 M
Yield³	3.10%
Average Credit Rating	A-
Duration	2.11 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="display: flex; justify-content: center; align-items: center; gap: 10px;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> Potentially lower returns Potentially higher returns </div>

Investment Performance after fees as at 30 June 2019⁶

Unit Price: \$1.1627

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Conservative Fund (Gross Of Tax)	1.52%	2.94%	7.05%	6.57%	-	6.82%
After Tax 10.50%	1.42%	2.73%	6.46%	6.01%	-	6.24%
After Tax 17.50%	1.35%	2.60%	6.07%	5.64%	-	5.85%
After Tax 28.00%	1.25%	2.39%	5.49%	5.08%	-	5.28%
Market Index ¹	1.59%	2.76%	8.33%	6.21%	-	6.19%

Top Equity Holdings

Holdings	% of Fund's NAV
Contact Energy	0.67%
Spark New Zealand	0.53%
Meridian Energy	0.47%
Argosy Property	0.39%
Kiwi Property Group	0.38%
Mirvac Group	0.37%
Charter Hall Long Wale REIT	0.35%
Goodman Group	0.31%
Charter Hall Education Trust	0.31%
Precinct Properties NZ	0.29%

Current Asset Allocation

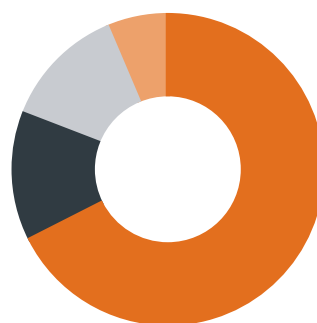
	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	5.52%	6.00%
New Zealand Fixed Interest	27.90%	35.00%
International Fixed Interest	52.37%	41.00%
New Zealand Equities	2.90%	3.00%
Australian Equities	1.65%	3.00%
International Equities	3.54%	8.00%
Listed Property	5.24%	4.00%
Other	0.88%	0%

Top Fixed Interest Holdings

Holdings	% of Fund's NAV
NAB Float 2029	1.77%
Vector 3.45% 2025	1.70%
NZ Govt. Inflation Indexed 2% 2025	1.58%
ANZ Bank 3.03% 2024	1.51%
OBE 6.75% 2044	1.36%
BNZ 3.648% 2023	1.29%
ANZ 2.78% 2019	1.27%
Investore Property 4.40% 2024	1.16%
IAG Float 2045	1.09%
NAB Float 2024	1.05%

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' at milfordasset.com/fact-sheet for more information about the data published within this document.

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