

Conservative Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 November 2019



Portfolio Managers



Paul Morris
Portfolio Manager



Mark Riggall
Co-Portfolio Manager

The Fund delivered a return of 0.5% for November, contributing to a 1-year return of 9.6%. Bond returns were mixed in the month, with strong performance from Australian bonds outperforming a close to flat return from NZ and global bonds.

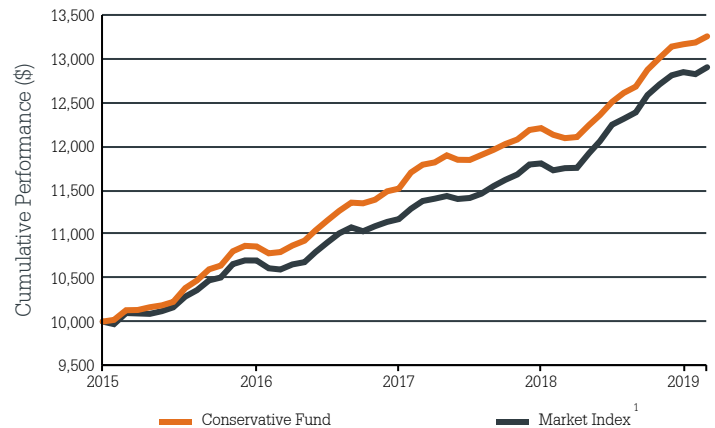
In NZ, the anticipated November rate cut did not materialise while expectations for further global central bank rate cuts diminished. Returns from the Fund's shares were generally positive. Global shares had a strong month supported by an improving economic outlook. Australasian shares contributed a positive return, but the Fund's income share focus underperformed the broader share market. Considering ongoing risks to global growth (Brexit, trade) and our conservative risk profile, during the month we reduced some of the Fund's recently increased share exposure into market strength.

Looking ahead, ongoing supportive central bank monetary policy and low inflation should support bond prices with market interest rates likely to remain in recent ranges. Low interest rates and an improving economic backdrop should underpin share market returns. We therefore remain cautiously optimistic on the return outlook, maintaining slightly less defensive positioning relative to earlier in the year, but still with less shares than the long run neutral. We reiterate however that the price gains already posted by bonds and shares mean the recent moderation in Fund returns could continue in the near term.

To view Milford's December 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

Objective ²	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)	\$386.0 M
Yield ³	2.66%
Average Credit Rating	BBB+
Duration	2.24 years
Buy-sell Spread	None
Inception Date	1 September 2015
Current Distribution	0.5 cents per unit (Quarterly)
Benchmark	Not applicable
Base Fund Fee ⁴	0.95%
Performance Fee	Not applicable
Total Fund Fees ⁵	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 November 2019⁶

Unit Price: \$1.184

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Conservative Fund (Gross Of Tax)	0.53%	0.89%	9.61%	7.09%	-	6.86%
After Tax 10.50%	0.49%	0.80%	8.85%	6.52%	-	6.27%
After Tax 17.50%	0.47%	0.73%	8.36%	6.14%	-	5.89%
After Tax 28.00%	0.43%	0.64%	7.61%	5.57%	-	5.31%
Market Index ¹	0.61%	0.72%	9.80%	6.79%	-	6.18%

Top Equity Holdings

Holdings	% of Fund's NAV
Spark New Zealand	0.58%
Contact Energy	0.42%
Mirvac Group	0.40%
Transurban Group	0.39%
Charter Hall Education Trust	0.34%
Charter Hall Long Wale REIT	0.31%
Kiwi Property Group	0.29%
Aventus Retail Property	0.28%
Arena REIT	0.28%
Goodman Group	0.26%

Current Asset Allocation

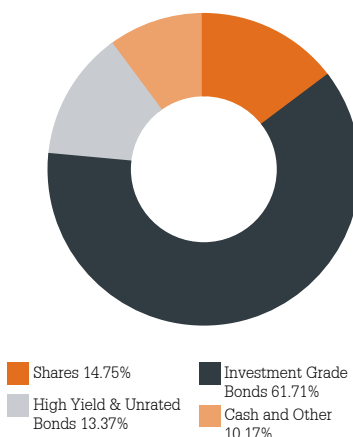
	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	9.73%	6.00%
New Zealand Fixed Interest	26.15%	35.00%
International Fixed Interest	48.93%	41.00%
New Zealand Equities	2.15%	3.00%
Australian Equities	1.74%	3.00%
International Equities	6.76%	8.00%
Listed Property	4.10%	4.00%
Other	0.44%	0%

Top Fixed Interest Holdings

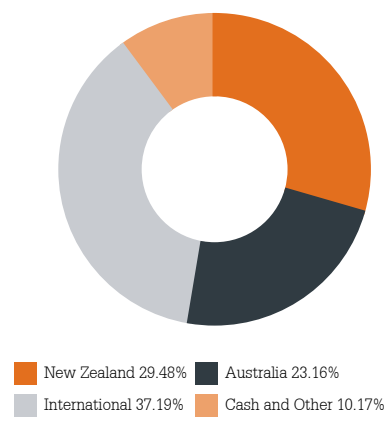
Holdings	% of Fund's NAV
Westpac 2.22% 2024	1.36%
Bank Of China 3% 2020	1.35%
John Deere 1.75% 2024	1.25%
Vector 3.45% 2025	1.23%
NZLGFA 1.5% 2029	1.22%
ASB Bank 1.83% 2024	1.20%
JPMorgan 5% 2024	1.14%
ANZ Bank Float 2024	1.12%
ANZ Bank 3.03% 2024	1.12%
ING Group 1.45% 2024	1.08%

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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