

Milford
Monthly Fund Overview

October 2026

Capital Crunch

October saw significant rotations within markets and across asset classes, though broadly within the ranges of recent months. Index-level moves were mixed, but tech-heavy US markets fell sharply. The AI optimism of September gave way to concerns about the sustainability of the AI build-out and the potential for over investment, dragging tech-heavy US share markets lower. This churn produced a range of outcomes across Milford funds, with lower-risk funds outperforming higher-risk funds.

Concerns about how the AI boom is being financed intensified through the month. The ever-increasing capital required, coupled with doubts over the revenues needed to support the debt, saw technology stocks retreat from recent highs as earning growth, despite being strong, missed elevated expectations. Broader share markets were buoyed by a rotation into non-technology stocks, many of which had previously sold-off on concerns about rising bond yields. Regionally, markets with lower technology weightings fared better, with Australian, UK and European shares broadly outperforming the US. Sector-wise, energy and healthcare sectors were solidly positive, helping share markets avoid a material correction and illustrating the benefits of diversification across sectors and regions. This divergent performance was evident across our holdings, with tech stocks like Google (-18.3%) pulling back while stocks like US cell towers company Crown Castle (+33.1%) benefited from the rotation to non-tech stocks.

In bonds, the sharp, multi-month sell-off abruptly reversed as investors extrapolated a risk of a slower AI buildout into slower economic growth. Bonds delivered solidly positive returns, with price gains adding to interest earned. A surprise OCR hold from the RBNZ further helped our sizeable NZ bond position. We remain measured on the broad outlook for bonds but are encouraged by their ability to diversify portfolios should growth slow more materially.

Looking ahead, the run into year-end and post the US mid-term elections is typically a seasonally strong period for shares, and powerful earnings trends and solid economic growth support that view. Our enthusiasm is tempered, however, by near-term headwinds to the AI narrative, ongoing geopolitical concerns (notably Middle East energy risks) and building headwinds to global economic activity. A continuation of the rangebound conditions of the past three to six months is a more reasonable expectation. In an environment with this many moving parts, we are open minded to the path forward. Although we've seen stubborn inflation and central banks willingness to raise rates, we remain positioned to participate in further equity gains, with the flexibility to adjust quickly across shares, bonds and currencies as risks and opportunities evolve.

MILFORD
INVESTED IN YOU

Milford Asset Management
Level 12, 50 Albert Street, Auckland 1010
Phone: 0800 662 345
Email: Info@milfordasset.com
milfordasset.com

Milford Fund Performance as at 31 October 2026

Milford Investment Funds

	Past month	1 year	3 years (p.a.)	5 years (p.a.)	10 years (p.a.)	Since Fund inception (p.a.)	Fund size $
Multi-Asset Funds							
Conservative Fund*	1.00%	-0.29%	6.37%	3.50%	4.53%	4.74%	916.9 M
Diversified Income Fund*	1.26%	1.40%	7.96%	4.46%	6.16%	8.57%	3,709.5 M
Balanced Fund	0.02%	1.06%	9.26%	5.10%	7.70%	8.64%	2,720.1 M
Active Growth Fund	0.06%	1.36%	12.12%	6.70%	9.62%	11.24%	5,916.4 M
Australian Absolute Growth Fund	2.61%	3.12%	6.80%	4.38%	—	7.12%	160.8 M
Aggressive Fund	-1.33%	3.46%	14.71%	6.90%	—	7.51%	4,482.9 M
Cash and Fixed Income Funds							
Trans-Tasman Bond Fund*^	0.82%	0.59%	5.99%	3.26%	3.31%	4.01%	2,263.3 M
Global Corporate Bond Fund*^	1.56%	-2.16%	4.71%	1.53%	—	2.88%	413.6 M
Cash Fund	0.27%	2.68%	4.10%	3.83%	—	2.82%	1,002.4 M
Equity Funds							
Global Equity Fund†	-0.42%	6.55%	16.62%	7.00%	11.05%	9.69%	3,013.8 M
Trans-Tasman Equity Fund*	-0.19%	-2.40%	8.36%	2.88%	9.54%	9.75%	774.8 M
Dynamic Fund#	-3.74%	-12.80%	9.25%	3.64%	9.73%	10.56%	914.4 M

For details of how investment performance is calculated, and returns at each PIR please see www.milfordasset.com/funds-performance/view-performance#tabperformance.
Performance figures are after total Fund charges have been deducted and at 0% PIR. Please note past performance is not a guarantee of future returns.
Inception dates for the Funds: Active Growth Fund: 1 October 2007, Trans-Tasman Equity Fund: 1 October 2007, Balanced Fund: 1 April 2010, Diversified Income Fund: 1 April 2010, Global Equity Fund: 12 April 2013, Dynamic Fund: 1 October 2013, Trans-Tasman Bond Fund: 2 December 2013, Conservative Fund: 1 September 2015, Global Corporate Bond Fund: 1 February 2017, Australian Absolute Growth Fund: 1 March 2018, Cash Fund: 1 March 2019, Aggressive Fund: 21 June 2021.
* Performance figures include the reinvestment of the Funds' distribution.
^ Returns prior to 1 March 2018 are from when the Fund was previously offered to wholesale investors only and have been adjusted for current Fund charges.
† Returns prior to 1 October 2018 are from when the Fund was structured to achieve an absolute return.
# Closed to new investment.

Upcoming Distributions

Fund	Target	Payment Date
Conservative Fund	0.6 cents (Quarterly)	20/01/2027
Diversified Income Fund	0.95 cents (Quarterly)	18/11/2026
Trans-Tasman Bond Fund	0.7 cents (Quarterly)	16/12/2026
Global Corporate Bond Fund	0.55 cents (Quarterly)	16/12/2026

Milford, its staff and their families, have approx. $185.7 million invested in Milford's Investment Funds as of October 2026.

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Milford Fund Performance as at 31 October 2026

Milford KiwiSaver Plan

	Past month	1 year	3 years (p.a.)	5 years (p.a.)	10 years (p.a.)	Since Fund inception (p.a.)	Fund size $
KiwiSaver Conservative Fund	0.87%	-0.38%	6.35%	3.44%	4.49%	6.34%	455.2 M
KiwiSaver Moderate Fund	0.41%	1.04%	8.00%	4.42%	—	6.27%	341.2 M
KiwiSaver Balanced Fund	-0.23%	1.52%	9.64%	5.37%	7.92%	8.88%	2,628.0 M
KiwiSaver Active Growth Fund^	-0.01%	2.07%	12.43%	6.95%	9.83%	11.41%	9,046.1 M
KiwiSaver Aggressive Fund	-1.33%	3.46%	14.58%	6.91%	—	10.46%	3,457.8 M
KiwiSaver Cash Fund	0.27%	2.67%	4.10%	3.84%	—	2.99%	206.8 M

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^Based on the performance of the AonSaver AMT Milford Aggressive Fund until 31 March 2010 and the Milford KiwiSaver Active Growth Fund from 1 April 2010.

Milford KiwiSaver Plan is the proud winner of multiple awards







Key Market Indices

	Past month	1 year	3 years (p.a.)	5 years (p.a.)	7 years (p.a.)
S&P/NZX 50 Gross Index (with imputation credits)	-0.26%	2.53%	9.43%	1.83%	4.34%
S&P/ASX 200 Accumulation Index (AUD)	1.38%	3.69%	13.35%	8%	8.12%
MSCI World Index (local currency)*	-0.76%	12.41%	21.72%	11.11%	13.7%
MSCI World Index (NZD)*	-0.57%	13.94%	23.58%	15.91%	15.53%
S&P/NZX NZ Government Bond Index	1.58%	0.21%	6.34%	1.65%	0.53%
Bloomberg Global Agg. Bond (USD-Hedged)	1.73%	0.28%	5.09%	0.74%	1.02%
S&P/NZX 90-Day Bank Bill Rate	0.28%	2.61%	4.09%	3.8%	2.87%

*With net dividends reinvested

Milford staff and their families have approx. $73.4 million invested in Milford's KiwiSaver Plan as of October 2026.