Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 October 2026

MILFORD
INVESTED IN YOU

Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund was flat in October, taking its one-year return to 1.1%. The month saw significant volatility within share markets, although overall index-level performance was muted, while bonds meaningfully outperformed shares. The Fund's flat performance result for the month illustrates the benefits of diversification in dampening volatility from riskier asset classes.

Technology stocks fell sharply in October, reversing September's gains. This was driven by concerns over the financing and sustainability of the AI build-out, along with earnings reports that failed to meet lofty investor expectations. While the medium-term AI theme is likely to endure, the Fund's exposure to US and technology shares detracted from performance. Conversely, non-tech shares sharply outperformed, and the Fund's Australian, UK and more income-orientated shares performed well, offsetting some of the weakness in technology.

After multiple months of underperformance, bonds rebounded sharply as investors repriced growth expectations lower. The RBNZ's surprise decision to hold interest rates also supported our NZ bonds, where the Fund has been heavily tilted, while remaining underweight global bonds.

Looking ahead, there are reasons for optimism around share market returns. Earnings growth remains strong, economic growth is robust and the AI build-out continues to drive activity. However, the rising capital needs of that build-out are weighing on asset prices. There is also a risk that global economic growth slows even as inflation remains elevated.

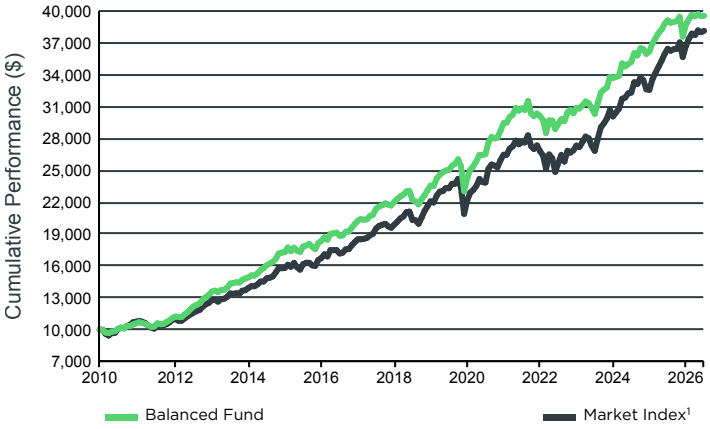
This calls for a flexible approach: maintaining diversification and rebalancing to capture rotations across markets and asset classes. Given these near-term risks, the Fund reduced its exposure to both bonds and shares in favour of cash at month end, but we are looking for opportunities to add to both.

To view Milford's October 2026 Market and Economic Review please see milfordasset.com/insights.

For previous fund reports see 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.

Key Fund Facts

Objective [2]	To provide capital growth over the minimum recommended investment timeframe
Description	Diversified fund that primarily invests in equities, with a significant allocation to fixed interest securities
Minimum recommended investment timeframe	5 years +
Target Allocation	39% Income Assets / 61% Growth Assets
Neutral FX Exposure	18.0%
Net Asset Value (NAV)	$2,720.1 M
Buy-sell Spread	None - swing pricing applies (See PDS for details)
Inception Date	1 April 2010
Benchmark	Not applicable
Base Fund Fee [3]	1.05%
Performance Fee	The Fund may invest into related Milford funds that charge performance fees.
Total Fund Fees [4]	1.07% (includes an est. performance fee)
Risk Indicator	Lower risk 1 2 3 **4** 5 6 7 Higher risk Potentially lower returns … Potentially higher returns

External Ratings

Bronze

The Milford Balanced Fund has a Morningstar Medalist Rating™ of 'Bronze' as of 24-04-2026

Milford Asset Management
W milfordasset.com
T 0800 662 345
E info@milfordasset.com
Level 12, 50 Albert Street
Auckland 1010, New Zealand
PO Box 960, Shortland Street
Auckland 1140, New Zealand

Balanced Fund as at 31 October 2026

Investment Performance after fees as at 31 October 2026 [5]

Unit Price: $3.762

	1 Month	1 year	3 years (p.a.)	5 years (p.a.)	10 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	0.02%	1.06%	9.26%	5.10%	7.70%	8.64%
After Tax 10.50%	0.02%	0.92%	8.90%	4.78%	7.37%	8.19%
After Tax 17.50%	0.02%	0.83%	8.66%	4.57%	7.14%	7.89%
After Tax 28.00%	0.02%	0.69%	8.30%	4.25%	6.80%	7.45%
Market Index [1]	0.33%	4.64%	12.43%	6.65%	8.31%	8.40%

Top Equity Holdings

Holdings	% of Fund
Microsoft	1.87%
Amazon	1.37%
NVIDIA	1.36%
Apple	0.98%
Fisher & Paykel Healthcare	0.95%
SSE	0.82%
Contact Energy	0.81%
National Grid	0.80%
Alphabet	0.79%
Infratil	0.74%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	5.87%	8%
New Zealand Fixed Interest	19.26%	6%
International Fixed Interest	20.10%	25.0%
New Zealand Equities	6.11%	9%
Australian Equities	10.00%	11%
International Equities	34.72%	34%
Listed Property	3.86%	7%
Commodities	0.08%	0.0%
Other	0.00%	0.0%

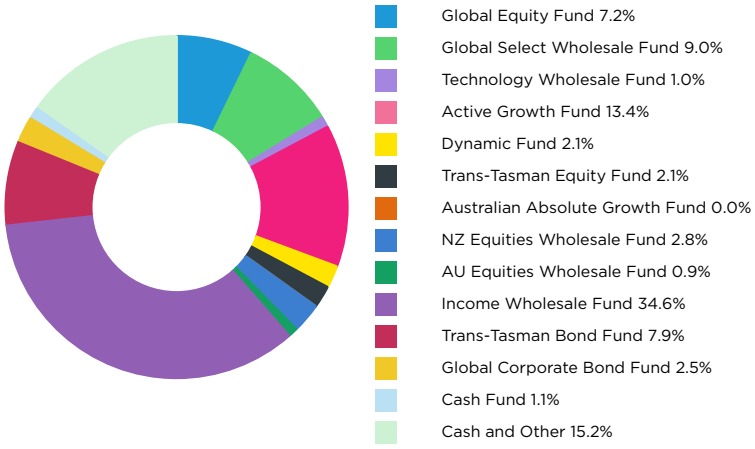
The actual cash held by the Fund is 16.31%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

Holdings	% of Fund
NZLGFA 2.25% 2031	1.65%
US Treasury 1.25% 2031	1.56%
NZ Govt. 3% 2029	1.45%
NZ Govt. 3.5% 2033	1.30%
NZLGFA 3.5% 2033	1.28%
NZ Govt. 4.5% 2035	1.12%
NZ Govt. 4.5% 2030	0.94%
NZ Govt. 2.5% 2035	0.68%
NZ Govt. 4.25% 2036	0.56%
AU Govt. 2% 2035	0.56%

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

Fund Allocation



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 and before the performance fee. **3.** Where applicable, the Base Fund Fee includes an estimate of non-related underlying fund charges. **4.** 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. **5.** 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.

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.