

# Diversified Income Fund

## Portfolio Investment Entity

### Monthly Fact Sheet as at 30 November 2025



## Portfolio Managers



**Paul Morris**  
Portfolio Manager



**Anthony Ip**  
Co-Portfolio Manager

The Fund closed November with a slightly negative return (-0.3%), which was its first negative month for 2025. It is however up 6.9% over one-year, which is well in excess of the benchmark. The negative return this month was predominantly due to weakness in Australasian bonds and in Australian shares.

Australasian bonds were negatively impacted by higher market interest rates in New Zealand and Australia, even with key global market interest rates generally close to unchanged. Expectations increased that Australasian central bank policy cash rates have bottomed, even though rates were cut in NZ in November. We had reduced our exposure to shorter-dated NZ bonds earlier in the month, but we retain our longer-dated Australasian bonds given their attractive extra yield relative to cash rates and to offshore alternatives.

The Fund also faced a moderate headwind from wider corporate bond credit spreads (the extra yield versus government bonds) in November. The negative impact was mitigated by having already reduced exposure, and by increasing the proportion held in higher credit rated bonds which tend to outperform in weaker periods.

Performance across the Fund's shares was mixed but close to flat in aggregate. The standout was UK electricity company SSE plc (+14.7%) post a capital raise and an announcement of increased investment plans, including a pivot to lower-risk electricity transmission networks. There was also strong performance from the Fund's banks, e.g. Bank of Ireland (+12.5%) and UK bank NatWest Group (+8.3%) after the UK budget included no major negatives for the sector.

The notable laggard was Australian shares on diminished interest rate cut hopes. There were pockets of weakness elsewhere, notably across the Fund's smaller exposure to technology/AI related themes including AU property manager and data centre developer Goodman Group (-10.1%).

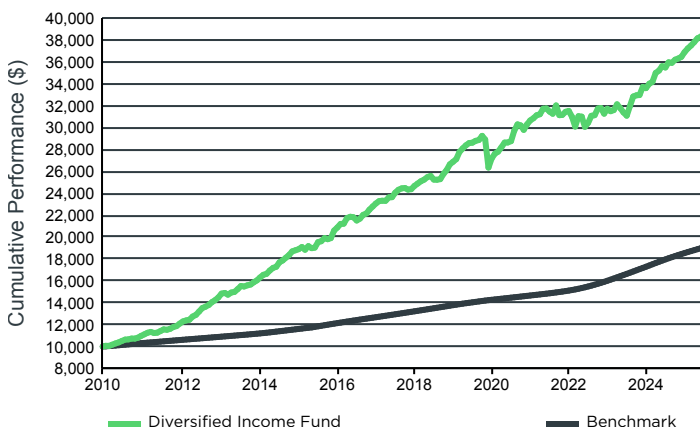
Looking forward, we continue to reiterate a medium-term constructive return outlook. Still historically attractive income from bonds, steeper yield curves (market interest rates are generally above cash rates), and reasonable medium-term company earnings outlooks remain supportive. But we remain cautious of elevated valuations in parts of the share and corporate bond markets. This means prudence, active management, and utilisation of bond and share market options remain appropriate.

To view Milford's November 2025 Market and Economic Review please see [milfordasset.com/insights](https://milfordasset.com/insights).

For previous fund reports see [milfordasset.com/fund-reports](https://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, and assumes reinvestment of distribution.

## Key Fund Facts

<b>Objective<sup>1</sup></b>	To provide income and capital growth over the minimum recommended investment timeframe
<b>Description</b>	Diversified fund that primarily invests in fixed interest and equity income-generating securities
<b>Minimum recommended investment timeframe</b>	4 years +
<b>Target Allocation</b>	60% Income Assets / 40% Growth Assets
<b>Neutral FX Exposure</b>	0%
<b>Net Asset Value (NAV)</b>	\$3,433.8 M
<b>Yield<sup>2</sup></b>	2.80%
<b>Average Credit Rating</b>	A-
<b>Duration</b>	1.89 years
<b>Buy-sell Spread</b>	None - swing pricing applies (See PDS for details)
<b>Inception Date</b>	1 April 2010
<b>Current Distribution</b>	1.55 cents per unit (Quarterly)
<b>Benchmark</b>	OCR + 2.5% p.a.
<b>Base Fund Fee<sup>3</sup></b>	0.65%
<b>Performance Fee</b>	10% of the Fund's returns above the Benchmark <sup>1</sup> , subject to the high watermark.
<b>Total Fund Fees<sup>4</sup></b>	0.85% (includes an est. performance fee)

	Lower risk		Higher risk				
<b>Risk Indicator</b>	1	2	3	4	5	6	7
	Potentially lower returns			Potentially higher returns			

## Diversified Income Fund as at 30 November 2025

### Investment Performance after fees as at 30 November 2025<sup>5</sup>

Unit Price: \$2.0266

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Diversified Income Fund (Gross Of Tax)	-0.34%	0.76%	6.91%	7.35%	5.29%	8.97%
After Tax 10.50%	-0.32%	0.73%	6.56%	6.78%	4.94%	8.36%
After Tax 17.50%	-0.30%	0.71%	6.33%	6.41%	4.71%	7.95%
After Tax 28.00%	-0.28%	0.68%	5.98%	5.85%	4.37%	7.36%
Benchmark	0.40%	1.27%	5.92%	7.12%	5.70%	4.23%

### Top Equity Holdings

Holdings	% of Fund
Contact Energy	1.36%
Aena SME	1.15%
Bank of America	1.12%
SSE	1.06%
Precinct	1.05%
NatWest Group	1.05%
Goodman	0.95%
Region RE	0.92%
National Grid	0.89%
Infratil	0.80%

### Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	4.01%	5%
New Zealand Fixed Interest	19.75%	10%
International Fixed Interest	37.56%	45.0%
New Zealand Equities	4.49%	5%
Australian Equities	12.76%	11%
International Equities	12.24%	5.5%
Listed Property	8.72%	18.5%
Other	0.47%	0.0%

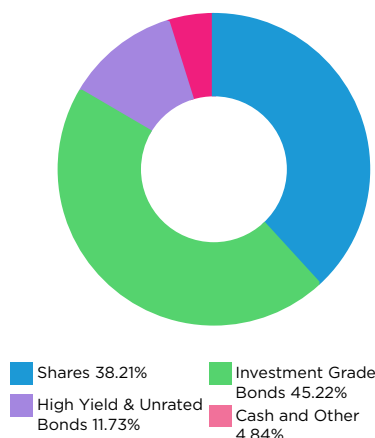
# The actual cash held by the Fund is 4.96%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

### Top Fixed Interest Holdings

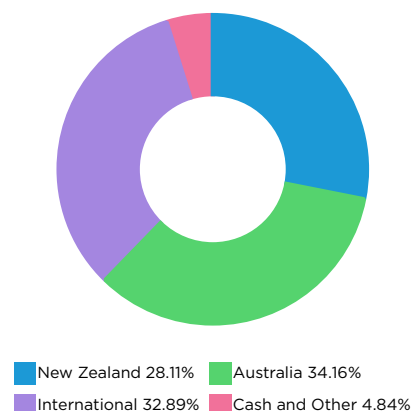
Holdings	% of Fund
NZ Govt. 4.5% 2035	2.27%
NZ Govt. 3.5% 2033	2.08%
NZLGFA 3.5% 2033	1.44%
NZLGFA 2.25% 2031	1.29%
ASB Bank 4.1% 2030	1.16%
Rabobank NZ Float 2028	1.10%
Commerzbank Aktiengesellschaft 4.125% 2037	0.97%
Westpac 5.754% 2034	0.90%
Lloyds Banking Group 5.189% 2031	0.85%
EnBW International Finance 6.048% 2034	0.83%

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

### Fund Portfolio Mix



### Region Exposure



1. After the Base Fund Fee but before tax and before the performance fee. 2. The yield to maturity is not an indicator of future return, but reflects the current yield to maturity of the fund's underlying holdings (before tax and after the base fund 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. 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](http://milfordasset.com/fact-sheet) for more information about the data published within this document.

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