Diversified Income Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 July 2025

MILFORD
INVESTED IN YOU

Portfolio Managers

Paul Morris
Portfolio Manager

Anthony Ip
Co-Portfolio Manager

July was a busy month of tariff, central bank, and company reporting headlines at the end of which bond markets were mixed but broad share markets were positive. Supported by the historically decent yield from bonds, the Fund returned 0.8%.

NZ bonds outperformed Australian and global bonds. We are more constructive on NZ dollar bonds versus offshore, believing NZ interest rates may need to fall further given a weak economy. We had limited offshore interest rate exposure to protect against bond price falls (higher interest rates = lower prices). Rate cut expectations in Australia appeared high, somewhat confirmed by no Reserve Bank of Australia cut in July. We were wary of higher global interest rates. In July, evidence of resilient growth, sticky inflation, and concern for excessive government debt issuance weighed on bonds in many key global economies. As Australian and global bonds weakened, we moderately increased exposure, albeit in the context of extending our US treasury bond put options (which increase in value as rates rise) given they are historically cheap.

The Fund's NZ and Australian shares both contributed strongly in July. NZ infrastructure company Infratil (+9.3%) was a standout benefiting from exposure to data centres. Australian property companies were notably strong with the biggest contributor retail landlord Region Group (+6.4%). Broad global share markets were positive, but the Fund's shares had a mixed month.

Spanish airport operator Aena (+4.1%) performed well on revenue growth, offset by weaker performance from holdings such as (i) real estate investment trust American Tower (-5.7%) on higher interest rates and risks of slower tenant growth, and (ii) global fintech company Fiserv (-19.4%) on disappointing results.

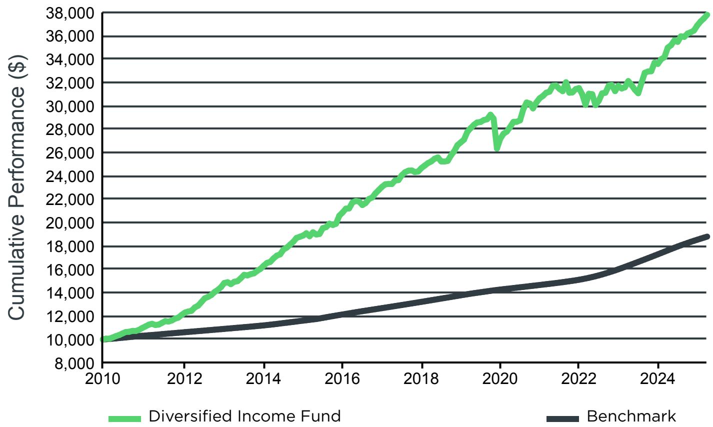
Overall exposure to shares remains similar to June, a smidge below the long-term average, but we retain broad share market options to cushion returns from weakness. The medium-term return outlook for the Fund remains reasonable, supported by historically attractive interest rates, positive yield curves (market interest rates are generally higher than cash rates), and a decent company earnings' outlook. Elevated valuations of share markets and corporate bonds (versus government bonds) mean prudence, active management, and the use of market options remain appropriate.

To view Milford's July 2025 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, and assumes reinvestment of distribution.

Key Fund Facts

Objective [1]	To provide income and capital growth over the minimum recommended investment timeframe
Description	Diversified fund that primarily invests in fixed interest and equity income-generating securities
Minimum recommended investment timeframe	4 years +
Target Allocation	60% Income Assets / 40% Growth Assets
Neutral FX Exposure	0%
Net Asset Value (NAV)	$3,097.2 M
Yield [2]	3.55%
Average Credit Rating	BBB+
Duration	2.04 years
Buy-sell Spread	None - swing pricing applies (See PDS for details)
Inception Date	1 April 2010
Current Distribution	1.55 cents per unit (Quarterly)
Benchmark	OCR + 2.5% p.a.
Base Fund Fee [3]	0.65%
Performance Fee	10% of the Fund's returns above the Benchmark [1], subject to the high watermark.
Total Fund Fees [4]	0.85% (includes an est. performance fee)
Risk Indicator	Lower risk — Higher risk 1 2 **3** 4 5 6 7 Potentially lower returns — Potentially higher returns

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

Diversified Income Fund as at 31 July 2025

MILFORD

Investment Performance after fees as at 31 July 2025[5]

Unit Price: $2.0246

	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)	0.84%	2.49%	8.04%	6.79%	6.04%	9.06%
After Tax 10.50%	0.82%	2.41%	7.49%	6.22%	5.65%	8.44%
After Tax 17.50%	0.81%	2.36%	7.12%	5.84%	5.40%	8.02%
After Tax 28.00%	0.78%	2.28%	6.57%	5.28%	5.01%	7.42%
Benchmark	0.48%	1.44%	6.67%	7.16%	5.53%	4.20%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	1.62%
Aena SME	1.22%
Goodman	1.07%
NatWest Group	1.05%
Bank of America	1.04%
SSE	0.98%
National Grid	0.97%
Precinct	0.95%
Region RE	0.95%
Infratil	0.89%

Top Fixed Interest Holdings

Holdings	% of Fund
NZ Govt. 3.5% 2033	2.28%
NZLGFA 3.5% 2033	1.48%
NZLGFA 2.25% 2031	1.42%
NZ Govt. 4.5% 2035	1.23%
Rabobank NZ Float 2028	1.22%
Origin Energy 5.35% 2031	1.06%
EnBW International Finance 6.048% 2034	1.01%
Commerzbank Aktiengesellschaft 4.125% 2037	1.00%
Westpac 5.754% 2034	0.97%
Lloyds Banking Group 5.189% 2031	0.91%

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

Current Asset Allocation

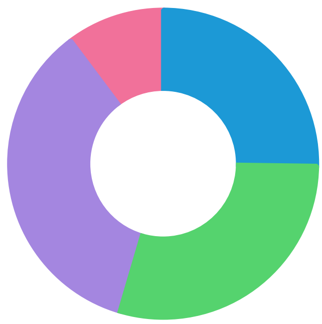
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	10.24%	5%
New Zealand Fixed Interest	17.77%	10%
International Fixed Interest	36.65%	45.0%
New Zealand Equities	5.01%	5%
Australian Equities	11.78%	11%
International Equities	11.99%	5.5%
Listed Property	6.56%	18.5%
Other	0.00%	0.0%

The actual cash held by the Fund is 7.02%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Fund Portfolio Mix

Shares 35.34%
Investment Grade Bonds 42.27%
High Yield & Unrated Bonds 12.15%
Cash and Other 10.24%

Region Exposure



New Zealand 25.22%
Australia 29.33%
International 35.21%
Cash and Other 10.24%

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 for more information about the data published within this document.