

Balanced Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 December 2025



Portfolio Managers



Mark Riggall
Portfolio Manager



Paul Morris
Co-Portfolio Manager

In December the Fund returned 0.2%, bringing the one-year return to 8.9%. Markets were relatively calm in December, with muted moves across most asset classes. Share markets were mixed with a softer US market contrasting with stronger markets in Europe/UK.

It was also encouraging to see the Australian share market recovering some of its recent underperformance, helping performance as the Fund has been increasing its allocation to Australian shares into recent weakness. Australian and NZ bond markets were also weaker as investors now no longer expect further interest rate cuts from the central banks. This caused underperformance of NZ/Australian bonds and these now look more attractive vs US equivalents, offering us opportunity to add exposure into this weakness. Bond market moves also helped the NZ and Australian dollars to rally versus other currencies, again boosting performance as we have been increasing exposure to local currencies over the past month or so.

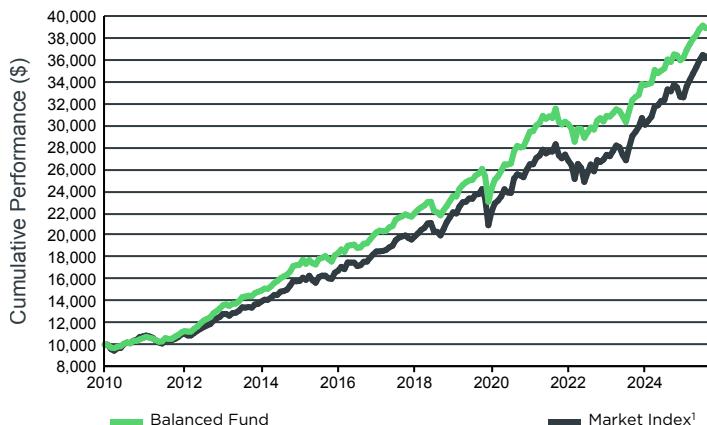
Calm markets in the month were a welcome respite after the volatility seen in 2025. Whilst the economic outlook for 2026 looks encouraging, elevated share valuations mean investors should expect more volatility in the year ahead, although this could be in both directions. The Fund is well diversified, invested in a broader range of sectors and geographies and this should help cushion volatility. Attractive bond yields in NZ and Australian bonds also should underpin returns going forward.

To view Milford's December 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.

Key Fund Facts

Objective²	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	13.0%
Net Asset Value (NAV)	\$2,573.3 M
Buy-sell Spread	None - swing pricing applies (See PDS for details)
Inception Date	1 April 2010
Benchmark	Not applicable
Base Fund Fee³	1.05%
Performance Fee	The Fund may invest into related Milford funds that charge performance fees.
Total Fund Fees⁴	1.07% (includes an est. performance fee)
Risk Indicator	Lower risk Higher risk
	1 2 3 4 5 6 7
	Potentially lower returns Potentially higher returns

External Ratings



The Milford Balanced Fund has a Morningstar Medalist RatingTM of 'Silver' as of 5-11-2025

Balanced Fund as at 31 December 2025

Investment Performance after fees as at 31 December 2025⁵

Unit Price: \$3.7126

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Balanced Fund (Gross Of Tax)	0.21%	0.46%	8.85%	9.57%	6.73%	9.02%
After Tax 10.50%	0.20%	0.46%	8.53%	9.16%	6.42%	8.55%
After Tax 17.50%	0.20%	0.46%	8.31%	8.90%	6.21%	8.24%
After Tax 28.00%	0.19%	0.46%	8.00%	8.50%	5.89%	7.79%
Market Index ¹	0.41%	1.27%	9.91%	12.13%	7.35%	8.55%

Top Equity Holdings

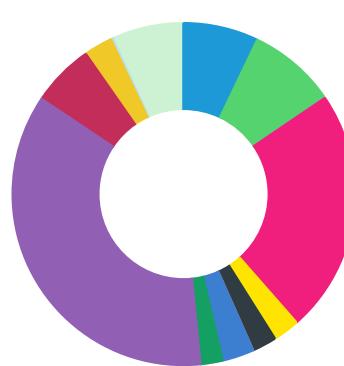
Holdings	% of Fund
Microsoft	1.34%
NatWest Group	1.30%
National Grid	1.25%
SSE	1.23%
Contact Energy	1.12%
Alphabet	1.11%
Amazon	1.11%
Bank of America	1.07%
Fisher & Paykel Healthcare	0.91%
Apple	0.76%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	3.91%	8%
New Zealand Fixed Interest	12.63%	6%
International Fixed Interest	21.88%	25.0%
New Zealand Equities	7.29%	10.5%
Australian Equities	12.94%	13.5%
International Equities	33.44%	30%
Listed Property	6.44%	7%
Commodities	1.47%	0.0%
Other	0.00%	0.0%

The actual cash held by the Fund is 10.41%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Fund Allocation



Global Equity Fund	7.1%
Global Select Wholesale Fund	8.4%
Global Opportunities Wholesale Fund	0.0%
Active Growth Fund	23.0%
Dynamic Fund	2.5%
Trans-Tasman Equity Fund	2.3%
Australian Absolute Growth Fund	0.0%
NZ Equities Wholesale Fund	3.0%
AU Equities Wholesale Fund	2.1%
Income Wholesale Fund	35.9%
Trans-Tasman Bond Fund	5.9%
Global Corporate Bond Fund	2.7%
Cash Fund	0.2%
Cash and Other	6.8%

Top Fixed Interest Holdings

Holdings	% of Fund
NZ Govt. 4.5% 2035	1.97%
NZLGFA 3.5% 2033	0.80%
NZ Govt. 3.5% 2033	0.79%
NZ Govt. 4.25% 2036	0.50%
Rabobank Float 2028	0.48%
ASB Bank 4.1% 2030	0.47%
NZLGFA 2.25% 2031	0.43%
Westpac 5.754% 2034	0.38%
ANZ 5.691% 2040	0.34%
Commerzbank 4.125% 2037	0.34%

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

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.