Diversified Income Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 December 2024

MILFORD
INVESTED IN YOU

Portfolio Managers

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Portfolio Manager

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December was a challenging month for many of the bond and equity markets into which the Fund is exposed as the traditional Santa market rally failed to materialise. Cautious positioning and the ongoing historically attractive income from the Fund's assets helped limit losses in the month to -0.1%. Over one year the Fund has returned a healthy 9.4%.

The month saw a material move higher in global market interest rates, especially longer dated rates. Expectations for the path of global central bank policy rates have been revised higher in large part due to the resilience of the US economy. This weighed on fixed income market returns as global government bond prices fell, but Fund returns were cushioned by a number of factors including (i) exposure remains primarily to corporate bonds where price falls were less, (ii) aggregate interest rate exposure remains low, (iii) Australasian bonds where Fund interest rate exposure is more focused outperformed, (iv) income from bond holdings is historically attractive. Per recent months we remain very selective when adding new bonds. Two examples this month were Australian dollar hybrid issuances from Pacific National (Australian rail company) and Ampol (Australian fuel company) at NZ equivalent yields approaching 7% and 8% respectively.

Facing generally weak global and Australian share markets (ignoring a small number of large technology companies), the Fund's shares detracted from returns in December. Most holdings were down on the month. The move higher in market interest rates was a broad share market headwind but especially so for the Fund's typical income-oriented shares (albeit this exposure remains lower than historically). Weakness was pronounced in property shares and in global infrastructure and utilities. That said, there were some bright spots with New Zealand shares contributing positively with Contact Energy (still the Fund's largest holding) up 5.6% and Channel Infrastructure up 5.1%.

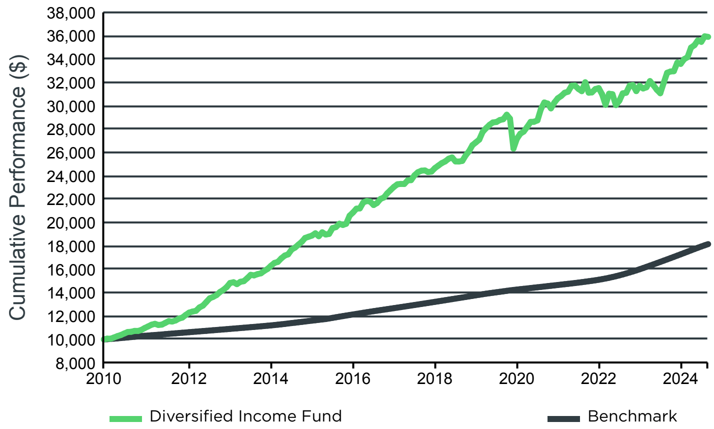
Looking ahead, higher market interest rates continue to underpin an attractive medium-term return outlook for the Fund. They provide an income cushion against most conceivable bond and share market weakness. The outlook for the Fund's shares is reasonable, given a focus on quality companies with reasonable earnings. Valuations remain broadly elevated, but pockets of better value are appearing given recent weakness in some sectors. To manage market risk, we continue to utilise reasonably priced broad share market and bond options.

To view Milford's December 2024 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)	$2,843.4 M
Yield [2]	4.48%
Average Credit Rating	BBB
Duration	0.76 years
Buy-sell Spread	None - swing pricing applies (See PDS for details)
Inception Date	1 April 2010
Current Distribution	1.7 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

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Diversified Income Fund as at 31 December 2024

MILFORD

Investment Performance after fees as at 31 December 2024[5]

Unit Price: $1.9556

	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)	-0.14%	0.84%	9.36%	3.89%	4.47%	9.05%
After Tax 10.50%	-0.13%	0.84%	8.68%	3.48%	4.09%	8.42%
After Tax 17.50%	-0.13%	0.84%	8.24%	3.21%	3.84%	8.01%
After Tax 28.00%	-0.13%	0.83%	7.56%	2.80%	3.46%	7.40%
Benchmark	0.56%	1.75%	7.76%	6.72%	5.16%	4.13%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	2.37%
Telstra	1.76%
Infratil	1.71%
Spark	1.62%
Microsoft	1.33%
Bank of America	1.17%
Natwest	1.08%
Goodman	1.00%
Precinct	0.99%
Aena SME	0.98%

Top Fixed Interest Holdings

Holdings	% of Fund
NZGBI 2% 2025	1.45%
Scentre Group 5.125% 2080	1.23%
Origin Energy 5.35% 2031	1.19%
EnBW International Finance 6.048% 2034	1.10%
Westpac 5.754% 2034	1.06%
PNF 7.75% 2054	0.97%
British Telecommunications 5.125% 2054	0.86%
Kinder Morgan 5.1% 2029	0.82%
CBA 6.152% 2039	0.82%
ANZ Float 2027	0.80%

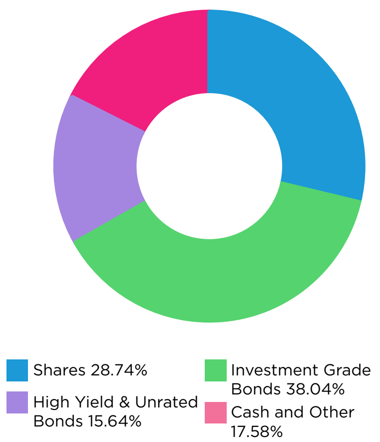
Note: Fixed interest securities are reported in the following format: Issuer name, interest (coupon rate), maturity year.

Current Asset Allocation

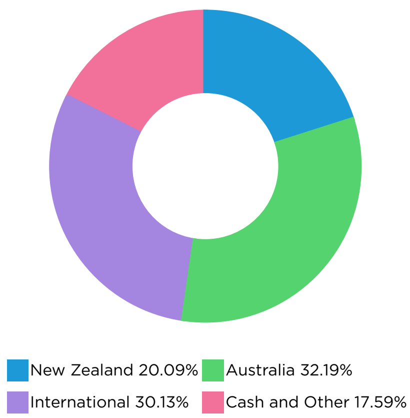
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	17.59%	5%
New Zealand Fixed Interest	10.63%	10%
International Fixed Interest	43.04%	45.0%
New Zealand Equities	6.10%	5%
Australian Equities	8.11%	11%
International Equities	8.16%	5.5%
Listed Property	6.37%	18.5%
Other	0.00%	0.0%

The actual cash held by the Fund is 8.02%. 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



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 for more information about the data published within this document.