Diversified Income Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 July 2026

MILFORD
INVESTED IN YOU

Portfolio Managers

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Portfolio Manager

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Irrespective of broad-based weakness across bond markets, the Fund delivered a return of 0.3% in July, thanks to a positive contribution from its shares. Australasian and global bond markets fell as a rise in energy prices reignited fears that higher market interest rates are required to combat inflation risks. Share markets were mixed. Technology shares were generally under pressure. However, many other previously less favoured sectors, to which the Fund is more exposed, posted gains.

Having further reduced interest rate exposure, Fund returns were somewhat cushioned from the rise in market interest rates. Support was also provided by the ongoing historically attractive monthly income bonds provide. We continue to reduce exposure to lower credit rated corporate bonds on valuation grounds, against selectively adding government/government-related bonds. The overall exposure to global corporate bonds is already much reduced. The focus over the past two months has been on continuing to trim the larger-than-typical exposure to Australian bonds. Acknowledging their weak month, our preference remains for New Zealand bonds given better value relative to New Zealand cash rates and to similar maturity instruments in offshore markets and Australia.

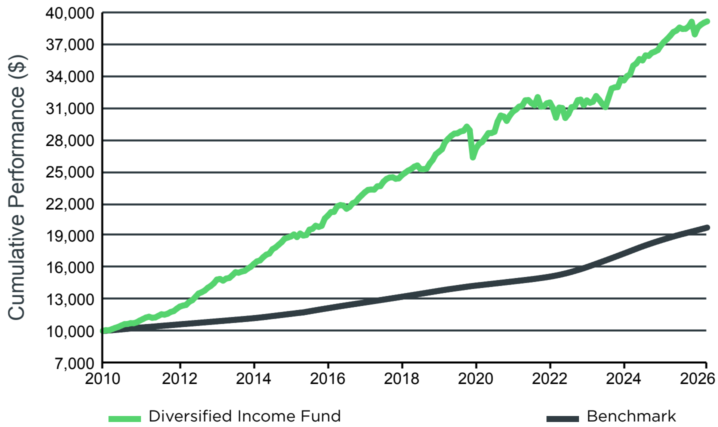
Strong contributions from its global and Australian shares drove the positive Fund return. There were notable contributions from energy shares, e.g. Chevron (+18.7%), which are held as the portfolio hedges against oil and gas price rise risks. While the Fund generally has limited direct exposure to technology shares, due to their historic higher volatility, its moderate holdings in high-quality technology companies, such as Microsoft (+24.6%) and Amazon (+13.9%), contributed strongly in the month. We retain exposure to banks where earnings will benefit from high interest rates, e.g. Bank of America (+8.7%). Our very selective global real estate company exposures did well with UK industrial property manager Segro PLC up a further 10.3% on an increased takeover offer, and real estate services provider CBRE up 9.0%.

Looking ahead, we remain constructive on the medium-term return outlook. We will look to cautiously add back interest rate exposure on further increases in market interest rates. Strong earnings growth gives us cautious optimism to retain share market exposure, currently slightly below long run neutral. However, fast shifting market narratives require judicious use of broad bond and share market options to actively manage risk.

To view Milford's July 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, 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)	$3,662.6 M
Yield [2]	2.89%
Average Credit Rating	A
Buy-sell Spread	None - swing pricing applies (See PDS for details)
Inception Date	1 April 2010
Current Distribution	0.95 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 July 2026

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

Unit Price: $2.0375

	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)	0.32%	1.47%	3.59%	6.82%	4.64%	8.71%
After Tax 10.50%	0.32%	1.39%	3.40%	6.31%	4.30%	8.12%
After Tax 17.50%	0.32%	1.34%	3.28%	5.97%	4.08%	7.73%
After Tax 28.00%	0.31%	1.27%	3.10%	5.47%	3.74%	7.15%
Benchmark	0.41%	1.19%	4.95%	6.54%	5.98%	4.25%

Top Equity Holdings

Holdings	% of Fund
Contact Energy	1.04%
Microsoft	0.92%
Infratil	0.88%
Goodman Group	0.88%
SSE	0.87%
NatWest Group	0.85%
Channel Infrastructure	0.84%
National Grid	0.84%
Precinct Properties	0.83%
Ameren	0.74%

Top Fixed Interest Holdings

Holdings	% of Fund
NZ Govt. 4.5% 2035	2.28%
NZ Govt. 3.5% 2033	1.94%
NZ Govt. 2.5% 2035	1.93%
NZ Govt. 4.25% 2036	1.92%
AU Govt. 2% 2035	1.54%
NZLGFA 3.5% 2033	1.40%
NZ Govt. 1.5% 2031	1.07%
ASB Bank 4.1% 2030	1.04%
Rabobank Float 2028	0.98%
AU Govt. 2.5% 2030	0.96%

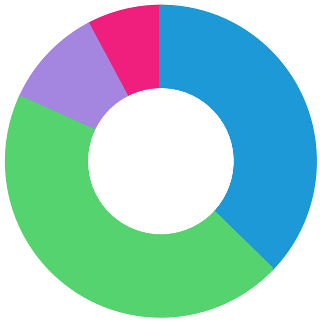
Note: Fixed interest securities are reported in the following format: Issuer name, interest (coupon rate), maturity year.

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	6.92%	5%
New Zealand Fixed Interest	23.10%	10%
International Fixed Interest	31.91%	45.0%
New Zealand Equities	4.24%	4.5%
Australian Equities	11.73%	9.5%
International Equities	14.36%	7.5%
Listed Property	6.94%	18.5%
Other	0.80%	0.0%

The actual cash held by the Fund is 8.33%. 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 37.27%
Investment Grade Bonds 44.44%
High Yield & Unrated Bonds 10.45%
Cash and Other 7.84%

Region Exposure

New Zealand 30.39%
Australia 29.17%
International 32.59%
Cash and Other 7.85%

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.