

Trans-Tasman Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 September 2025



Portfolio Managers



Anthony Ip
Portfolio Manager



Ian Robertson
Co-Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund delivered another solid month of performance in September, returning 0.4% which was slightly behind the benchmark return of 0.5%. Absolute returns were driven by the continued decline in NZ dollar market interest rates, while relative returns were driven by underweight exposure to Australian dollar interest rates and an overweight to corporate bonds.

In New Zealand, market interest rates continued to decline as weak domestic data increased expectations of further cash rate cuts from the Reserve Bank of New Zealand. This benefited the Fund's modest overweight exposure to NZ dollar interest rates, though the Fund began to trim this position following strong gains in recent months.

In Australia, in contrast, market interest rates increased after stronger-than-expected monthly inflation data. The Fund's underweight to shorter-dated Australian interest rates provided a positive relative contribution in this environment.

The Fund's overweight in Australian corporate bonds continued to deliver outperformance versus the benchmark as credit spreads contracted again (the extra yield of corporate bonds over government bonds). AUD corporate issuance remained well supported, with investors drawn to high-quality companies offering attractive yields. These exposures continue to provide resilience in the portfolio, balancing interest rate volatility with steady income.

In Australia the Fund invested in new issuances from AGL Energy (Australian energy retailer) and the State of Western Australia Treasury at NZ dollar equivalent yields of 4 to 5%. Recent bond investments in NZ include Community Housing Finance (NZ social housing financier) and Watercare (Auckland Council's water utility) at NZ dollar yields of just under 4%.

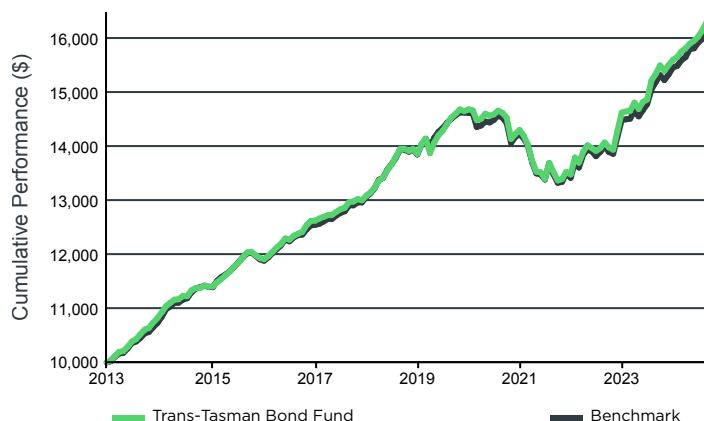
Looking ahead, the medium-term return outlook remains constructive. Yields are still historically attractive, particularly in the context of falling NZ cash rates. The Fund's yield continues to compare favourably against NZ cash rates, benefiting from steep yield curves in both Australia and NZ (market interest rates are generally higher than cash rates). We have reduced our overweight in NZ rates to close to neutral and we retain a preference for high-quality Australasian corporates.

To view Milford's September 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

Objective¹	To generate a positive, low volatility return that exceeds the relevant benchmark over the minimum recommended investment timeframe
Description	Primarily invests in trans-Tasman fixed interest securities

Minimum recommended investment timeframe	3 years +
Target Allocation	100% Income Assets / 0% Growth Assets
Neutral FX Exposure	0%
Net Asset Value (NAV)	\$1,675.0 M
Yield²	3.39%
Average Credit Rating	A+
Duration	3.4 years
Rating Categories	Inv.Grade 89% / High Yield 4% / Unrated 2%
Inception Date	2 December 2013
Current Distribution	0.85 cents per unit (Quarterly)
Benchmark	50% x Bloomberg AusBond Credit 0+ Index (100% NZD-hedged) + 50% x S&P/NZX Investment Grade Corporate Bond Total Return Index
Base Fund Fee³	0.65%
Performance Fee	Not applicable
Total Fund Fees⁴	0.65%

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

Trans-Tasman Bond Fund as at 30 September 2025

Investment Performance after fees as at 30 September 2025⁵

Unit Price: \$1.2054

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Trans-Tasman Bond Fund (Gross Of Tax)	0.44%	2.21%	5.73%	7.02%	2.33%	4.27%
After Tax 10.50%	0.37%	1.98%	5.10%	6.28%	2.09%	3.82%
After Tax 17.50%	0.32%	1.83%	4.68%	5.78%	1.93%	3.52%
After Tax 28.00%	0.24%	1.60%	4.06%	5.04%	1.69%	3.07%
Benchmark	0.53%	1.84%	5.88%	6.77%	2.16%	4.18%

Top Fixed Interest Holdings

Holdings	% of Fund
NZLGFA 3.5% 2033	4.34%
NZLGFA 4.5% 2030	3.11%
Housing NZ 3.42% 2028	3.11%
NZLGFA 2.25% 2031	3.05%
NZLGFA 1.5% 2029	2.26%
Westpac 4.337% 2029	2.21%
GTA Finance 2.2% 2027	2.08%
Norfin Float 2028	1.93%
NAB 5% 2029	1.93%
Teachers Mutual Bank Float 2028	1.91%
Rabobank NZ Float 2028	1.80%
Watercare Services 3.847% 2030	1.79%
United Energy Distribution 5.417% 2032	1.74%
Nordic Investment Bank 3.625% 2030	1.74%
Queensland Treasury 1.5% 2032	1.69%
Scentre Group Trust 1 5.35% 2035	1.69%
NZLGFA 4.5% 2027	1.56%
CBA Float 2030	1.55%
Westpac 4.95% 2030	1.55%
Stockland Trust 5.42% 2032	1.53%

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

Current Asset Allocation

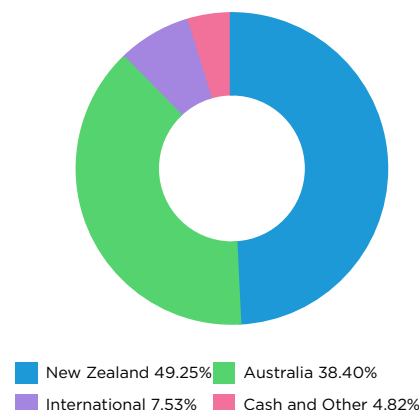
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	4.82%	3%
New Zealand Fixed Interest	49.69%	48.5%
International Fixed Interest	45.49%	48.5%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

The actual cash held by the Fund is 4.06%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Sector Allocation

Allocation	Weight %
Government	32.54%
Financials	26.51%
Utilities	15.18%
Real Estate	13.41%
Industrials	5.29%
Communication Services	1.30%
Health Care	0.50%
Consumer Staples	0.45%
Other Sectors	0.00%
Cash and Other	4.82%

Region Exposure



1. After the Base Fund Fee but before tax. 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). 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. Returns prior to 1 March 2018 are from when the Fund was previously offered to wholesale investors only and have been adjusted for the current Total Fund Fees. 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.

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