

# Trans-Tasman Bond Fund

Portfolio Investment Entity

## Monthly Fact Sheet as at 30 April 2021



### Portfolio Managers



**Travis Murdoch**  
Portfolio Manager



**Ian Robertson**  
Co-Portfolio Manager

April was generally a good month for fixed income markets led by US government bond yields which finished the month lower (prices higher) for the first time since December 2020. New Zealand government bond yields also moved notably lower, as did Australian yields to a lesser extent. Corporate bonds, to which the Fund is mostly exposed, had a constructive month despite heavy new issuance in Australia, and the Fund finished the month up 0.7%.

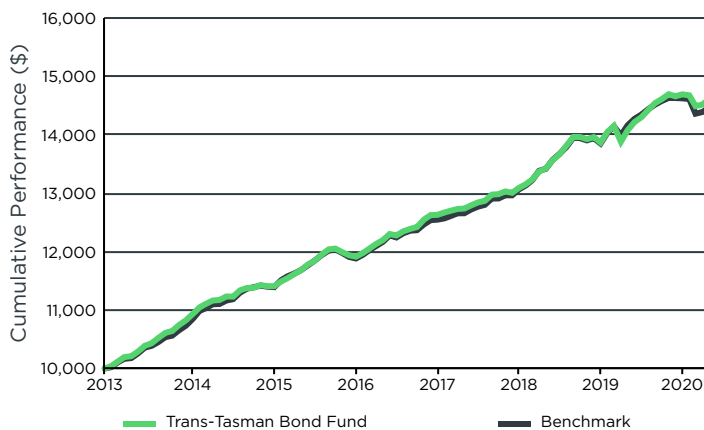
The Fund was active participating in new issues, particularly in the utilities space where we added new bonds in Victoria Power Networks, NSW Electricity Networks, and Australian Gas Networks. We believe that heavy issuance in the sector created an attractive entry point in high-quality companies which may outperform other sectors in the coming months. We also added a new bond in Australian property REIT Charter Hall and in New Zealand we added a new bond issued by ASB Bank. We used market strength to reduce some of our Australian dollar corporate bond holdings, leaving overall positioning of the Fund broadly unchanged from March.

Looking forward, we remain reasonably constructive on corporate bonds versus governments. We continue to see good opportunities to optimise the Fund's holdings, particularly in the Australian corporate bond market. The risks, especially offshore, remain skewed to a further move higher in interest rates and therefore we retain a below neutral interest rate exposure.

To view Milford's May 2021 Market and Economic Review please see [milfordasset.com/fact-sheet](http://milfordasset.com/fact-sheet).

### 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

<b>Objective<sup>1</sup></b>	Positive, low volatility return that exceeds the relevant benchmark over a minimum of three years
<b>Description</b>	Primarily invests in trans-Tasman fixed interest securities
<b>Target Allocation</b>	100% Income Assets / 0% Growth Assets
<b>Neutral FX Exposure</b>	0%
<b>Net Asset Value (NAV)</b>	\$882.7 M
<b>Yield<sup>2</sup></b>	1.78%
<b>Average Credit Rating</b>	A
<b>Duration</b>	3.66 years
<b>Rating Categories</b>	Inv.Grade 89% / High Yield 1% / Unrated 4%
<b>Inception Date</b>	2 December 2013
<b>Current Distribution</b>	0.45 cents per unit (Quarterly)
<b>Benchmark</b>	50% x S&P/ASX Corporate Bond 0+ Total Return Index (100% NZD-hedged) + 50% x S&P/NZX Investment Grade Corporate Bond Total Return Index
<b>Base Fund Fee<sup>3</sup></b>	0.65%
<b>Performance Fee</b>	Not applicable
<b>Total Fund Fees<sup>4</sup></b>	0.65%



# Trans-Tasman Bond Fund as at 30 April 2021

## Investment Performance after fees as at 30 April 2021<sup>5</sup>

Unit Price: \$1.2026

	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)	0.66%	-0.43%	3.80%	4.68%	4.57%	5.25%
After Tax 10.50%	0.61%	-0.36%	3.41%	4.19%	4.09%	4.69%
After Tax 17.50%	0.58%	-0.31%	3.15%	3.86%	3.77%	4.32%
After Tax 28.00%	0.54%	-0.24%	2.77%	3.37%	3.29%	3.77%
Benchmark	0.51%	-1.02%	2.13%	4.55%	4.36%	5.11%

## Top Fixed Interest Holdings

Holdings	% of Fund
NZLGFA 1.5% 2026	4.59%
Housing NZ 3.36% 2025	2.30%
NZLGFA 1.5% 2029	2.20%
NZLGFA 3.5% 2033	2.01%
Transpower 1.735% 2025	1.88%
ANZ Bank Float 2024	1.83%
Macquarie Float 2025	1.73%
Westpac 1.439% 2026	1.69%
B & A Bank Float 2025	1.58%
Ausgrid Finance 1.814% 2027	1.56%
APT Pipelines 0.75% 2029	1.52%
Woolworths 1.85% 2025	1.52%
Stockland Trust 2.3% 2028	1.47%
Chorus 1.98% 2027	1.45%
Vector 1.575% 2026	1.37%
Vector 3.45% 2025	1.30%
NAB Float 2024	1.25%
Sumitomo Float 2022	1.24%
Suncorp Float 2026	1.22%
Spark 3.37% 2024	1.21%

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

## Current Asset Allocation

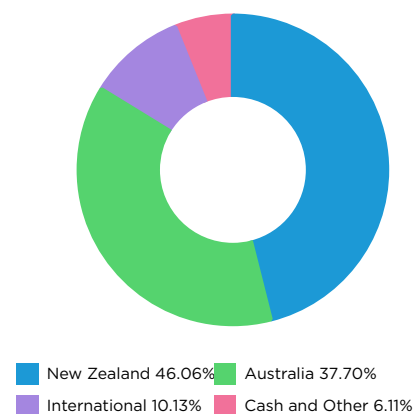
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	5.91%	3.00%
New Zealand Fixed Interest	44.46%	48.50%
International Fixed Interest	49.43%	48.50%
New Zealand Equities	0.00%	0%
Australian Equities	0.00%	0%
International Equities	0.00%	0%
Other	0.20%	0%

# The actual cash held by the Fund is 1.76%. 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 %
Financials	32.14%
Government	18.96%
Utilities	14.33%
Real Estate	11.41%
Industrials	7.28%
Communication Services	5.72%
Consumer Staples	3.15%
Energy	0.56%
Consumer Discretionary	0.44%
Cash and Other	6.11%

## Region Exposure



1. After the base fund fee but before tax. 2. Yield to maturity (before tax and fees) for underlying investments in the Fund. 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. 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.