

Trans-Tasman Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 April 2024



Portfolio Managers



Anthony Ip
Portfolio Manager



Ian Robertson
Co-Portfolio Manager



Paul Morris
Co-Portfolio Manager

During the month, the Fund returned -0.8%, which was 0.1% below the benchmark. The bond market contended with a significant rise in market interest rates during April, as the pricing of future rates cuts was reigned in across the globe, including in Australia and NZ, in response to stronger than expected inflation data. In Australia, in particular, the data caused the interest rate market to switch from pricing in one RBA rate cut in 2024, to a 50% chance of a rate hike this calendar year.

Notwithstanding the month's rise in market interest rates, prevailing bond yields provide a substantial return cushion against further volatility.

The Fund maintains an overweight to the Australian dollar corporate bond market, where we see opportunities to invest in fundamentally strong corporates at attractive NZ dollar hedged yields. Examples of this include new bonds from shopping centre landlord Vicinity Centres which yielded over 7.0% in NZ dollars. During the month, we also increased our exposure to Suncorp Bank (a Queensland-based regional bank) at an attractive discount to ANZ Bank, with the former soon expected to be acquired by the latter. We also invested in new bonds from Adelaide Airport in South Australia, and the new Euro bonds from Australian industrial property landlord Goodman Group - both of which provide a yield of close to 6% in NZ dollars. The Fund maintains a neutral position to NZ dollar corporate bonds.

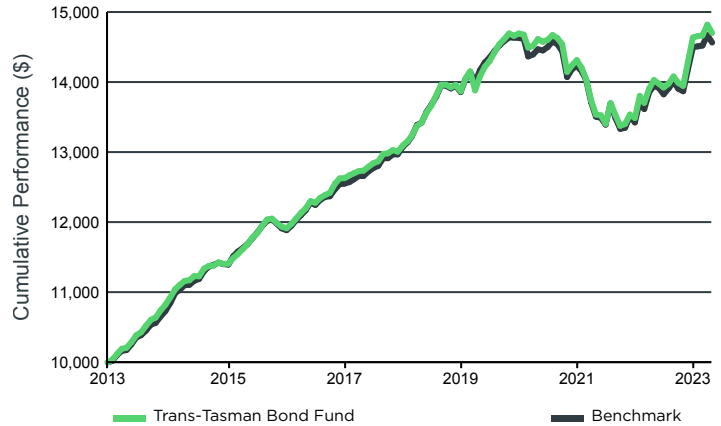
Looking ahead, the return outlook for the Fund should be supported by the attractive prevailing yields from the corporate bond market. This income should provide a significant cushion from further volatility in market interest rates. The Fund's current interest rate positioning is close to neutral. We currently plan to use further weakness to gradually increase exposure to market interest rates. While there is evidence to suggest we face a weaker economic outlook across both sides of the Tasman, corporate balance sheets remain in reasonable shape and corporate earnings outlooks are generally stable, which provide a buffer to an economic slowdown.

To view Milford's April 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

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)	\$1,266.3 M
Yield²	5.24%
Average Credit Rating	A+
Duration	3.21 years
Rating Categories	Inv.Grade 91% / High Yield 3% / Unrated 3%
Inception Date	2 December 2013
Current Distribution	0.95 cents per unit (Quarterly)
Benchmark	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
Base Fund Fee³	0.65%
Performance Fee	Not applicable
Total Fund Fees⁴	0.65%
Risk Indicator	<div style="display: flex; justify-content: space-between; align-items: center;"> Lower risk 1 2 3 4 5 6 7 Higher risk </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> Potentially lower returns Potentially higher returns </div>

Trans-Tasman Bond Fund as at 30 April 2024

Investment Performance after fees as at 30 April 2024⁵

Unit Price: \$1.1317

	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)	-0.80%	0.30%	4.79%	0.20%	1.83%	3.77%
After Tax 10.50%	-0.72%	0.26%	4.27%	0.18%	1.65%	3.37%
After Tax 17.50%	-0.66%	0.23%	3.93%	0.17%	1.52%	3.11%
After Tax 28.00%	-0.58%	0.19%	3.41%	0.16%	1.34%	2.71%
Benchmark	-0.71%	0.37%	4.42%	0.22%	1.65%	3.68%

Top Fixed Interest Holdings

Holdings	% of Fund
NZGBI 2% 2025	8.46%
NZLGFA 4.5% 2030	3.83%
NZLGFA 1.5% 2026	2.94%
Housing NZ 3.42% 2028	2.77%
NZLGFA 1.5% 2029	2.66%
GTA Finance 2.2% 2027	2.47%
ANZ 4.95% 2029	2.14%
NAB 4.85% 2029	2.13%
NZLGFA 4.5% 2027	1.94%
Kiwibank Float 2027	1.92%
Rabobank 5.051% 2029	1.74%
Suncorp 4.75% 2029	1.73%
Monash University 4.05% 2029	1.73%
Contact 6.398% 2030	1.56%
Westpac 5.754% 2034	1.53%
B & A Bank Float 2026	1.50%
AGI Finance 6.109% 2030	1.44%
Housing NZ 3.36% 2025	1.44%
NZ Govt. 3.5% 2033	1.43%
Vicinity 6.19% 2034	1.37%

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

Current Asset Allocation

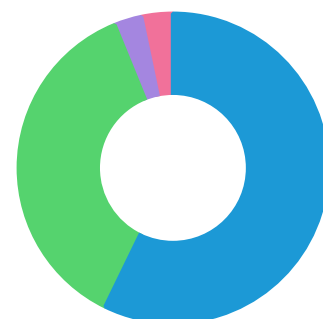
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	3.29%	3%
New Zealand Fixed Interest	53.81%	48.5%
International Fixed Interest	42.90%	48.5%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

The actual cash held by the Fund is 2.64%. 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	31.80%
Financials	24.87%
Utilities	12.82%
Real Estate	12.42%
Industrials	6.22%
Communication Services	3.78%
Consumer Discretionary	2.43%
Energy	1.58%
Other Sectors	0.79%
Cash and Other	3.29%

Region Exposure



■ New Zealand 57.21%
 ■ Australia 36.62%
 ■ International 2.88%
 ■ Cash and Other 3.29%

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). 3. 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. 4. 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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