

Trans-Tasman Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 April 2025



Portfolio Managers



Anthony Ip
Portfolio Manager



Ian Robertson
Co-Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 0.5% in April, behind the benchmark return of 0.9%. The month saw market volatility unleashed by the US administration's tariff announcements, which was followed by a subsequent partial market recovery on more conciliatory tones from the US president. The Fund's relative performance was constrained by overweight exposure to AUD bank subordinated bonds and AUD corporate hybrids, both of which underperformed in April. Absolute returns were supported by lower government bond yields, reflecting expectations of lower economic growth, which offset the impact of wider credit spreads (the extra yield of corporate bonds over government bonds).

Australian credit spreads widened materially, reflecting similar moves offshore. This widening has resulted in attractive valuations in parts of the Australian corporate bond market, which the Fund will look to capitalise on over time. To that end, the Fund added Sydney Airport and Mirvac Group (real estate investment trust) in AUD, while it trimmed a moderate amount of NZD corporate bonds given the NZD market did not widen as much as the moves seen offshore. The Fund retains an overweight to AUD credit, including in bank subordinated bonds and corporate hybrids, given more attractive valuations.

In April, the markets navigated cross currents of higher inflation risks from tariffs, which typically lower bond prices, and economic growth risks, which typically lift bond prices. The net impact was that NZD and AUD market interest rates ended the month broadly lower. In Australia, the Fund was moderately underweight AUD rates, which was a headwind to relative returns. Here we view market expectations for Reserve Bank of Australia rate cuts to be overly optimistic and maintain our underweight positioning for now. Meanwhile our NZ interest rate positioning is close to neutral.

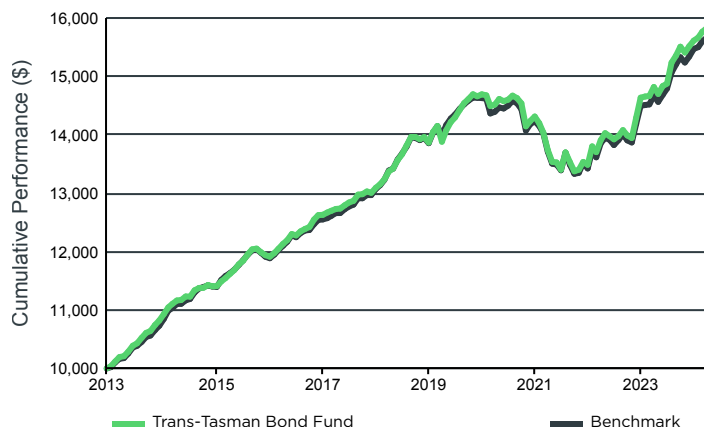
Looking ahead, while there remains uncertainty on the macroeconomic front, AU and NZ corporates are better insulated from the direct impacts of tariff policy. The strength of AU and NZ corporate balance sheets, the attractive interest rate environment, combined with now more attractive valuations of many of the Fund's corporate bond holdings should support medium term returns.

To view Milford's April 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)	\$1,389.1 M
Yield²	3.65%
Average Credit Rating	A+
Duration	3 years
Rating Categories	Inv.Grade 84% / High Yield 4% / Unrated 2%
Inception Date	2 December 2013
Current Distribution	0.85 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%

	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 April 2025

Investment Performance after fees as at 30 April 2025 ⁵

Unit Price: \$1.1864

	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)	0.54%	1.57%	8.24%	5.53%	2.48%	4.15%
After Tax 10.50%	0.48%	1.41%	7.36%	4.95%	2.23%	3.72%
After Tax 17.50%	0.44%	1.30%	6.79%	4.56%	2.06%	3.43%
After Tax 28.00%	0.39%	1.13%	5.92%	3.98%	1.81%	2.99%
Benchmark	0.94%	1.99%	8.56%	5.39%	2.22%	4.10%

Top Fixed Interest Holdings

Holdings	% of Fund
NZGBI 2% 2025	3.92%
NZLGFA 4.5% 2030	3.68%
Housing NZ 3.42% 2028	2.67%
NZLGFA 3.5% 2033	2.66%
NZLGFA 1.5% 2029	2.63%
Progress Trust RMBS 2050	2.45%
Origin Energy 5.35% 2031	2.34%
GTA Finance 2.2% 2027	2.33%
NAB 5% 2029	2.21%
ANZ Float 2030	2.03%
NZLGFA 2.25% 2031	1.95%
NZLGFA 4.5% 2027	1.84%
Westpac 4.95% 2030	1.77%
NBN Co 5.35% 2035	1.65%
NZLGFA 4.5% 2032	1.65%
NZ Govt. 4.5% 2035	1.62%
Contact 6.398% 2030	1.44%
United Energy Distribution 5.417% 2032	1.44%
NZLGFA 1.5% 2026	1.42%
NZ Govt. 3.5% 2033	1.37%

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

Current Asset Allocation

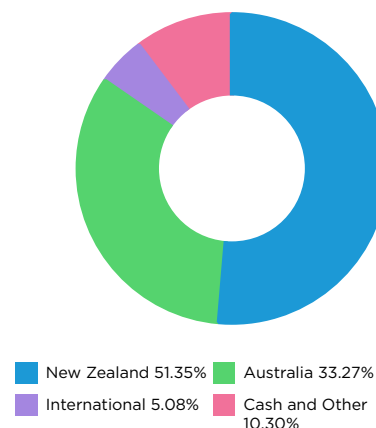
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	9.37%	3%
New Zealand Fixed Interest	48.75%	48.5%
International Fixed Interest	40.95%	48.5%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	0.93%	0.0%

The actual cash held by the Fund is 8.65%. 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	30.72%
Financials	21.90%
Utilities	16.47%
Real Estate	10.19%
Industrials	3.90%
Communication Services	3.23%
Consumer Staples	2.60%
Energy	0.69%
Other Sectors	0.00%
Cash and Other	10.30%

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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