

Trans-Tasman Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 August 2025



Portfolio Managers



Anthony Ip
Portfolio Manager



Ian Robertson
Co-Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 1.0% in August, ahead of the Fund's benchmark return of 0.9%. It was another strong month for Fund returns, supported by lower market interest rates and historically high corporate bond yields. The Fund's overweight exposure to Australian corporate bonds supported returns relative to benchmark while new issuances on both sides of the Tasman allowed the Fund to recycle capital into attractively priced new bond issues.

Following the continued strong performance in Australasian credit markets, the Fund has been actively rotating exposures out of higher volatility sectors such as Australian dollar corporate hybrids and Bank subordinated bonds and into lower volatility sectors such as Bank senior bonds and higher-rated corporates.

Further to that end, the Fund has also invested in the inaugural Australian dollar issuance from the International Development Association (a member of the World Bank), capitalising on its strong credit quality and primary market discount as a new issuer. The Fund has participated in recent Australian dollar issuances from PSP Capital (Canadian federal pension plan) and the inaugural 20-year issuance from Electricity De France (state-owned electric utility) which each provided new issue discounts and attractive income at NZ dollar equivalent yields of 5%+.

In NZ, the focus was on the Reserve Bank of New Zealand's policy where they cut the Official Cash Rate and communicated their intention to cut interest rates further in the months ahead. This was in response to continued weak economic data and despite expected increases in inflation in the near-term. During the month the Fund reduced its exposure to NZ Government bonds, rotating instead into a new issuance from ASB Bank at a NZ dollar yield of 4.1%.

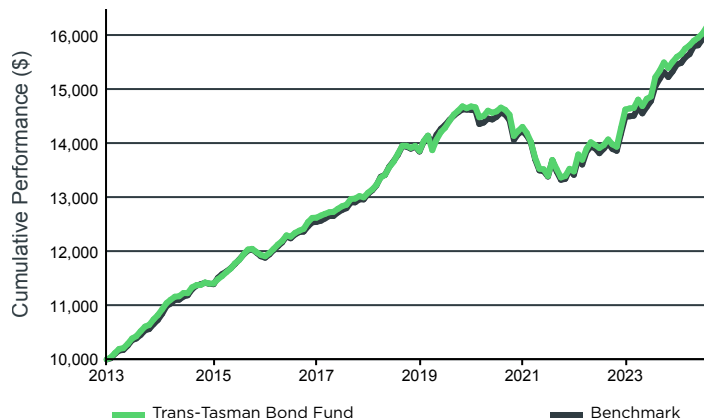
The medium-term return outlook is solid given still high bond yields and strong corporate balance sheets. We retain an overweight exposure to Australasian corporate bonds and a moderate underweight exposure, concentrated in the shorter-dated Australian dollar market interest rates.

To view Milford's August 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)	\$1,646.8 M
Yield²	3.63%
Average Credit Rating	A+
Duration	3.15 years
Rating Categories	Inv.Grade 92% / 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 31 August 2025

Investment Performance after fees as at 31 August 2025⁵

Unit Price: \$1.2086

	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)	0.98%	2.25%	6.32%	6.46%	2.34%	4.26%
After Tax 10.50%	0.88%	2.02%	5.67%	5.78%	2.10%	3.81%
After Tax 17.50%	0.82%	1.86%	5.23%	5.33%	1.95%	3.51%
After Tax 28.00%	0.72%	1.64%	4.58%	4.65%	1.71%	3.07%
Benchmark	0.86%	1.99%	6.16%	6.18%	2.14%	4.16%

Top Fixed Interest Holdings

Holdings	% of Fund
NZLGFA 3.5% 2033	4.34%
NZGBI 2% 2025	3.33%
Housing NZ 3.42% 2028	3.13%
NZLGFA 4.5% 2030	3.12%
NZLGFA 2.25% 2031	3.05%
ASB Bank 4.1% 2030	2.73%
Westpac 4.337% 2029	2.28%
NZLGFA 1.5% 2029	2.27%
Kiwibank Float 2028	2.11%
GTA Finance 2.2% 2027	2.05%
Progress Trust RMBS 2050	1.94%
NAB 5% 2029	1.91%
Norfinia Float 2028	1.90%
Rabobank NZ Float 2028	1.84%
Rabobank AU Float 2030	1.79%
United Energy Distribution 5.417% 2032	1.72%
NZLGFA 4.5% 2027	1.58%
Stockland Trust 5.42% 2032	1.55%
Westpac 4.95% 2030	1.53%
CBA % 21/08/2030	1.52%

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

Current Asset Allocation

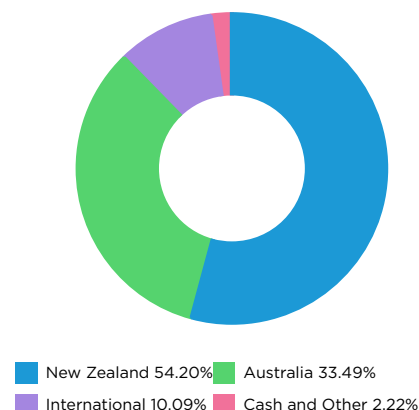
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	2.22%	3%
New Zealand Fixed Interest	54.73%	48.5%
International Fixed Interest	43.05%	48.5%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

The actual cash held by the Fund is 1.45%. 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	32.88%
Government	30.80%
Utilities	14.25%
Real Estate	11.94%
Industrials	5.62%
Communication Services	1.33%
Health Care	0.51%
Consumer Staples	0.45%
Other Sectors	0.00%
Cash and Other	2.22%

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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