

Trans-Tasman Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 December 2025



Portfolio Managers



Anthony Ip
Portfolio Manager



Ian Robertson
Co-Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund fell 0.2% in December which was 19 basis points behind the benchmark. Absolute returns were constrained by the continued rise in Australasian market interest rates following stronger than expected macro data and guidance from both the Reserve Bank of Australia and Reserve Bank of NZ suggesting the end of their cash rate cutting cycles. This offsets the impact of continued tightening in Australasian credit spreads (the extra yield of corporate bonds over government bonds).

Relative performance was constrained by the Fund's overweight to AU dollar market interest rates. Nevertheless, we retain this as the Fund's largest interest rate exposure given the attractive yields relative to both cash rates and offshore alternatives. This should help medium-term performance. Across the Tasman, the Fund was moderately underweight NZ dollar market interest rates which helped to cushion the relative underperformance from AU dollar exposures.

During the month, relative performance benefited from an overweight in financials, high grade government-related issuers and Real Estate Investment Trust bonds. We continue to favour these sectors given the balance between valuation and strong fundamentals. During the month the Fund made investments in AU dollar bonds including Commonwealth Bank's new 10-year bonds and NatWest Group (UK national champion bank), both of which are priced at attractive levels relative to secondary market opportunities.

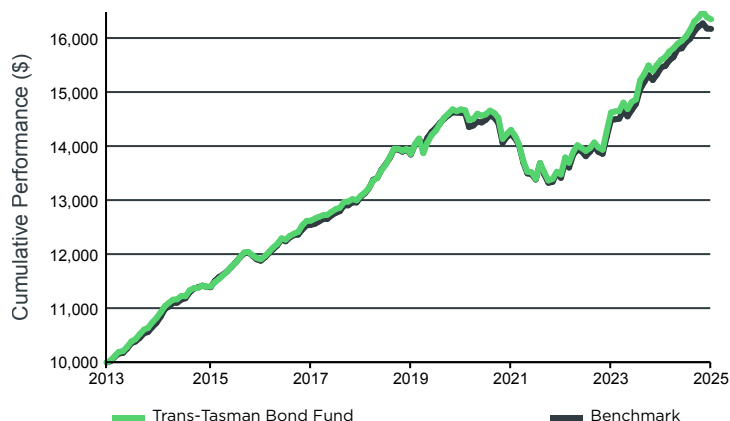
Looking ahead we expect further interest rate volatility in Australia and New Zealand, but the medium-term return outlook remains positive given historically high corporate bond yields and strong corporate balance sheets. We remain constructive on Australian corporate credit overall but sector and security selection remains crucial given overall valuations are at multi-year highs.

To view Milford's December 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)	\$1,870.6 M
Yield²	3.45%
Average Credit Rating	A+
Duration	3.4 years
Rating Categories	Inv.Grade 89% / High Yield 3% / Unrated 3%
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 December 2025

Investment Performance after fees as at 31 December 2025⁵

Unit Price: \$1.1944

	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)	-0.23%	-0.20%	4.82%	6.66%	2.18%	4.16%
After Tax 10.50%	-0.22%	-0.17%	4.31%	5.95%	1.96%	3.72%
After Tax 17.50%	-0.21%	-0.14%	3.98%	5.48%	1.81%	3.43%
After Tax 28.00%	-0.19%	-0.11%	3.47%	4.77%	1.59%	3.00%
Benchmark	-0.04%	-0.26%	4.62%	6.43%	2.04%	4.07%

Top Fixed Interest Holdings

Holdings	% of Fund
NZLGFA 3.5% 2033	4.57%
Housing NZ 3.42% 2028	2.75%
NZLGFA 4.5% 2030	2.73%
NZLGFA 2.25% 2031	2.69%
EnBW 5.197% 2031	2.09%
NatWest 5.026% 2029	2.04%
NZLGFA 1.5% 2029	2.01%
Westpac 4.337% 2029	1.98%
GTA Finance 2.2% 2027	1.90%
Progress Trust RMBS 2056	1.83%
Housing NZ 2.183% 2030	1.76%
Suncorp Float 2028	1.75%
BWP Trust 4.55% 2030	1.70%
Region Group 4.933% 2031	1.67%
Rabobank Float 2028	1.61%
Watercare 3.847% 2030	1.59%
United Energy 5.417% 2032	1.56%
Nordic Inv. Bank 4.05% 2030	1.56%
Scentre Group 5.35% 2035	1.51%
CBA Float 2030	1.41%

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

Current Asset Allocation

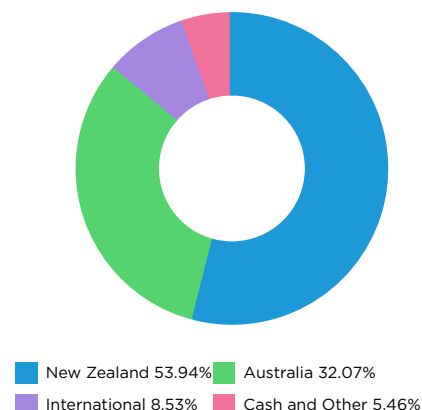
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	3.52%	3%
New Zealand Fixed Interest	54.18%	48.5%
International Fixed Interest	42.30%	48.5%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

The actual cash held by the Fund is 2.93%. 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	27.09%
Real Estate	22.15%
Government	21.07%
Utilities	16.93%
Industrials	3.69%
Communication Services	1.32%
Consumer Staples	1.12%
Energy	0.72%
Other Sectors	0.45%
Cash and Other	5.46%

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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