

Trans-Tasman Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 July 2025



Portfolio Managers



Anthony Ip
Portfolio Manager



Ian Robertson
Co-Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 0.8% in July, which was 0.4% ahead of the benchmark. Key contributors to this month's relative performance were the Fund's overweight positioning in Australian dollar corporate bonds and active management of the Fund's interest rate exposure into key macro events. Absolute returns were supported by the continued grind tighter in credit spreads (the additional yield of corporate bonds over government bonds).

The Fund's overweight positioning in Australian dollar corporate credit supported performance versus the benchmark during the month. Towards the end of the month, we trimmed some of the overweight, rotating into lower volatility government-linked and mortgage-backed securities. Regarding the former, the Fund invested in the Australian dollar issuances of two Canadian names: the Canadian Pension Plan and the Public Sector Pension Investment Board, at NZ dollar equivalent yields of ~4.5%. Both are systemically important AAA-rated Canadian pension plans and, after recent underperformance, offer a cheap alternative to higher grade Australian dollar corporate bonds. In NZ, the corporate bond market remains very quiet given continued scarcity of primary market issuance. That said, the Fund participated in the new Transpower NZ dollar issuance which was a rare opportunity to gain exposure to a high-quality corporate.

The Fund entered the month underweight Australian dollar interest rate exposure, which helped to cushion returns following the Reserve Bank of Australia's July policy meeting which was more hawkish than expected. We moved back to a neutral positioning in the latter half of the month as Australian dollar interest rate valuations improved, and also maintain a close to neutral positioning in NZ dollar interest rates.

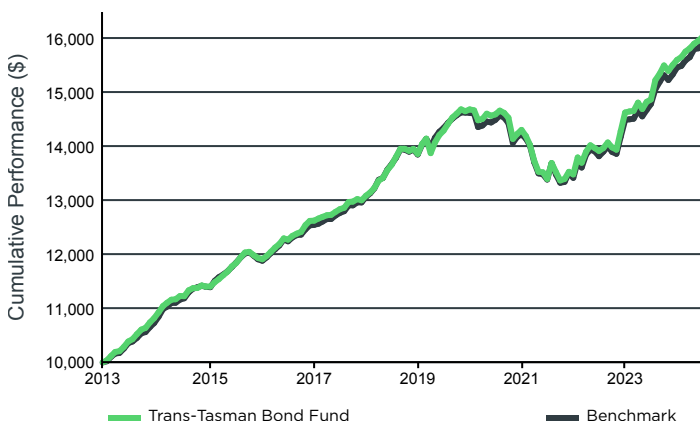
Looking forward, while credit spreads remain tight, we remain moderately constructive on Australasian corporate bonds given attractive yields and strong underlying credit fundamentals.

To view Milford's July 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)	\$1,620.9 M
Yield²	3.65%
Average Credit Rating	A+
Duration	3.15 years
Rating Categories	Inv.Grade 88% / High Yield 4% / 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 July 2025

Investment Performance after fees as at 31 July 2025⁵

Unit Price: \$1.1969

	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)	0.78%	1.61%	6.12%	5.68%	2.31%	4.20%
After Tax 10.50%	0.72%	1.45%	5.47%	5.08%	2.08%	3.76%
After Tax 17.50%	0.68%	1.34%	5.04%	4.68%	1.92%	3.47%
After Tax 28.00%	0.62%	1.17%	4.40%	4.08%	1.69%	3.03%
Benchmark	0.43%	1.23%	6.23%	5.33%	2.08%	4.11%

Top Fixed Interest Holdings

Holdings	% of Fund
NZGBI 2% 2025	3.37%
NZLGFA 3.5% 2033	3.18%
Housing NZ 3.42% 2028	3.15%
NZLGFA 4.5% 2030	3.12%
NZLGFA 2.25% 2031	3.05%
Westpac 4.337% 2029	2.28%
NZLGFA 1.5% 2029	2.28%
Kiwibank Float 2028	2.13%
GTA Finance 2.2% 2027	2.05%
Progress Trust RMBS 2050	1.99%
NAB 5% 2029	1.89%
Norfinia Float 2028	1.89%
Rabobank NZ Float 2028	1.86%
Rabobank AU Float 2030	1.78%
United Energy Distribution 5.417% 2032	1.70%
Natwest Markets Float 2030	1.70%
NZLGFA 4.5% 2027	1.59%
Stockland Trust 5.42% 2032	1.53%
Westpac 4.95% 2030	1.52%
NZLGFA 4.5% 2032	1.40%

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

Current Asset Allocation

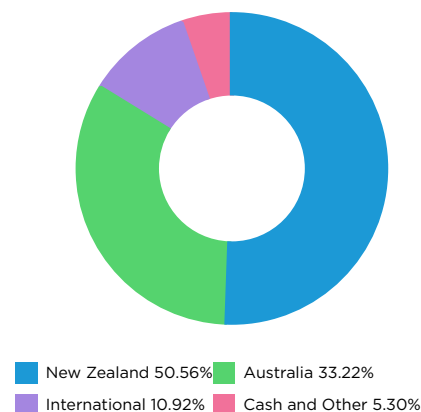
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	5.30%	3%
New Zealand Fixed Interest	51.13%	48.5%
International Fixed Interest	43.57%	48.5%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

The actual cash held by the Fund is 4.54%. 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	31.03%
Financials	30.90%
Utilities	13.15%
Real Estate	11.91%
Industrials	5.52%
Communication Services	1.22%
Health Care	0.52%
Consumer Staples	0.45%
Other Sectors	0.00%
Cash and Other	5.30%

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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