

Trans-Tasman Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 June 2025



Portfolio Managers



Anthony Ip
Portfolio Manager



Ian Robertson
Co-Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 0.5% in June, behind the benchmark return of 0.7%. The overweight exposure to Australian corporate bonds supported outperformance relative to the benchmark, as they continued to recover from tariff-related weakness in early Q2. This was offset by the Fund's underweight duration positioning in AU and NZ dollar market interest rates, which fell in June, on a combination of weaker economic data and expectations of near term interest rate cuts.

Following the strong recovery in risk assets since the early April lows, the Fund has been actively rotating exposures out of higher volatility sectors such as AU dollar corporate hybrids and bank subordinated bonds and into lower volatility sectors such as bank senior bonds and higher-rated corporate bonds. To this end, the Fund has increased its exposure to NBN Co (government-owned broadband network) and invested in AU dollar new issuances from Westpac, John Deere (agricultural equipment manufacturer), ING (Dutch bank) and Emirates Bank (UAE-based national champion bank). These investments have provided NZ dollar equivalent yields of 4-5% and have generally performed well as the market looks for high-quality AU dollar yield.

In New Zealand, there were solid return contributions from the Fund's holdings in NZ government bonds and the NZ Local Government Funding Agency. The former continues to outperform other market interest rates following the announcement of the May budget. The Fund increased its exposure to ANZ NZ subordinated notes and invested in new NZ dollar issuances from Rabobank (Dutch agri-bank) and Kiwibank. More broadly there continues to be a lack of new NZ dollar corporate issuance meaning that credit spreads (the extra yield of corporate bonds over government bonds) retain their tightening bias.

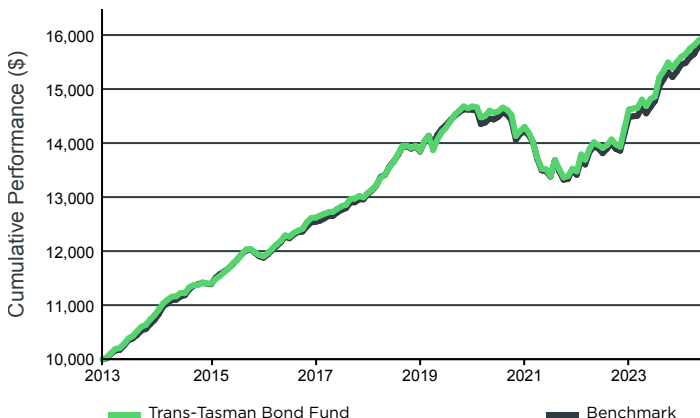
Turning to the outlook, we remain vigilant to potential volatility from geopolitical risks. This should provide opportunities for active management, while historically attractive bond yields should underpin an attractive medium-term return profile. We remain modestly overweight Australasian corporate bonds given attractive return outlooks.

To view Milford's June 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)	\$1,427.8 M
Yield²	3.75%
Average Credit Rating	A+
Duration	3.1 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 30 June 2025

Investment Performance after fees as at 30 June 2025⁵

Unit Price: \$1.1877

	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)	0.47%	1.37%	7.84%	6.17%	2.33%	4.17%
After Tax 10.50%	0.40%	1.21%	7.00%	5.51%	2.09%	3.73%
After Tax 17.50%	0.35%	1.10%	6.44%	5.07%	1.93%	3.43%
After Tax 28.00%	0.28%	0.93%	5.61%	4.41%	1.69%	3.00%
Benchmark	0.69%	1.74%	7.73%	5.96%	2.12%	4.11%

Top Fixed Interest Holdings

Holdings	% of Fund
NZGBI 2% 2025	3.81%
NZLGFA 3.5% 2033	3.58%
Housing NZ 3.42% 2028	3.55%
NZLGFA 4.5% 2030	3.53%
NZLGFA 1.5% 2029	2.57%
Kiwibank Float 2028	2.41%
GTA Finance 2.2% 2027	2.31%
Progress Trust RMBS 2050	2.26%
NAB 5% 2029	2.13%
Rabobank Float 2028	2.10%
Westpac 5.815% 2040	2.00%
United Energy Distribution 5.417% 2032	1.96%
NZLGFA 2.25% 2031	1.88%
NZLGFA 4.5% 2027	1.80%
Westpac 4.95% 2030	1.75%
NBN Co 5.35% 2035	1.65%
NZLGFA 4.5% 2032	1.58%
Origin Energy 5.35% 2031	1.55%
Resimac RMBS 2056	1.52%
Westpac Float 2030	1.51%

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

Current Asset Allocation

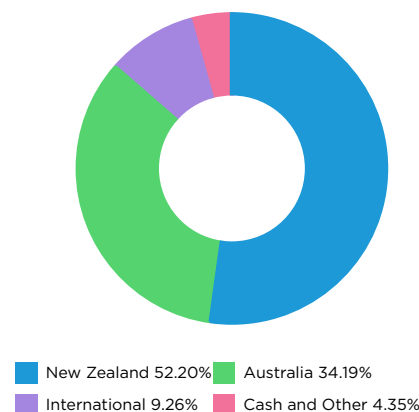
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	4.35%	3%
New Zealand Fixed Interest	52.87%	48.5%
International Fixed Interest	42.78%	48.5%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

The actual cash held by the Fund is 3.52%. 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	30.43%
Government	29.84%
Utilities	14.36%
Real Estate	11.41%
Industrials	4.69%
Communication Services	2.17%
Consumer Staples	1.79%
Health Care	0.58%
Other Sectors	0.38%
Cash and Other	4.35%

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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