

Trans-Tasman Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 March 2025



Portfolio Managers



Anthony Ip
Portfolio Manager



Ian Robertson
Co-Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 0.4% in March, which was in line with the benchmark. Absolute performance was driven by a shift downwards in market interest rates (mostly in Australia), while relative performance to benchmark was driven by the Fund's overweight credit positioning. March saw an escalation in the global trade war, while growth expectations were reduced. Australia and New Zealand were less impacted by these developments but nonetheless, the rising risk aversion globally has had an impact on Australasian fixed income markets.

During the month, the Fund's overweight position in subordinated bank and corporate hybrid securities were a headwind to returns versus the benchmark. Credit spreads (additional yield over government bond yields) on these securities widened during March, reflecting weaker risk sentiment. Following the widening in credit spreads, valuations in these sectors look attractive relative to senior bonds and we remain comfortable with the risk reward opportunities in this space. In Australia, we largely exited our positions in rail company Pacific National, in favour of higher quality exposures such as Australian broadband company NBN Co and global consumer staple Nestle - in part due to the more cautious market outlook.

In New Zealand, we added to our overweight exposure in the NZ Local Government Funding Agency's NZD bonds. Our view is that the Agency's diversification of funding sources to overseas markets should be supportive of the issuer's NZD bonds. We also continue to maintain an overweight exposure to NZ Government bonds, with the view that the forward funding requirements looked to have peaked and that valuations look attractive relative to NZD corporate credit.

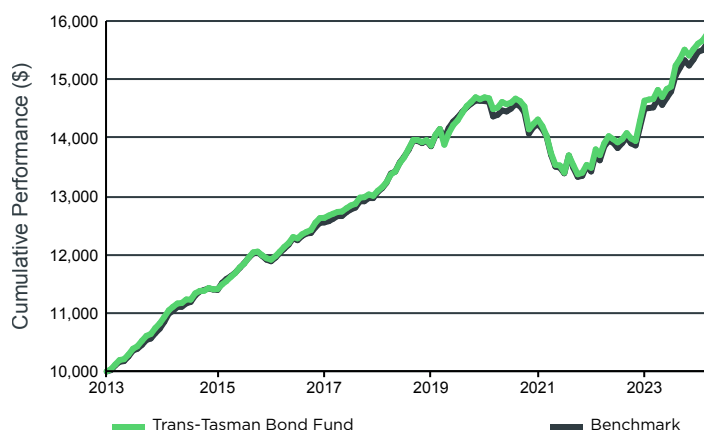
Looking ahead, the attractive interest rate backdrop supports medium-term Fund returns. The Fund's market interest rate exposure remains moderately below neutral. Credit quality in our corporate bonds should be resilient to any growth slowdown. The Fund maintains a cautious credit positioning relative to the benchmark and will remain patient in increasing exposure given global growth and policy uncertainties.

To view Milford's March 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)	\$1,389.5 M
Yield²	3.65%
Average Credit Rating	A+
Duration	2.87 years
Rating Categories	Inv.Grade 88% / 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 31 March 2025

Investment Performance after fees as at 31 March 2025⁵

Unit Price: \$1.1801

	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)	0.39%	1.37%	6.80%	4.83%	2.66%	4.13%
After Tax 10.50%	0.36%	1.24%	6.08%	4.32%	2.39%	3.70%
After Tax 17.50%	0.34%	1.15%	5.61%	3.99%	2.21%	3.41%
After Tax 28.00%	0.31%	1.01%	4.91%	3.48%	1.94%	2.98%
Benchmark	0.40%	1.24%	6.78%	4.54%	2.28%	4.04%

Top Fixed Interest Holdings

Holdings	% of Fund
NZLGFA 4.5% 2030	4.75%
NZGBI 2% 2025	3.90%
Housing NZ 3.42% 2028	2.69%
NZLGFA 3.5% 2033	2.68%
NZLGFA 1.5% 2029	2.62%
Progress Trust RMBS 2050	2.56%
GTA Finance 2.2% 2027	2.36%
Origin Energy 5.35% 2031	2.35%
NAB 5% 2029	2.22%
ANZ Float 2030	2.07%
NZLGFA 2.25% 2031	1.93%
NZLGFA 4.5% 2027	1.87%
Westpac 4.95% 2030	1.78%
Westpac 5.618% 2035	1.68%
NBN Co 5.35% 2035	1.66%
NZLGFA 4.5% 2032	1.64%
NZ Govt. 4.5% 2035	1.60%
Contact 6.398% 2030	1.45%
United Energy Distribution 5.417% 2032	1.45%
NZLGFA 1.5% 2026	1.42%

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

Current Asset Allocation

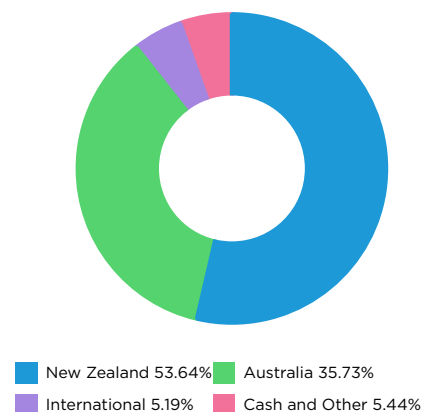
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	5.26%	3%
New Zealand Fixed Interest	51.02%	48.5%
International Fixed Interest	43.54%	48.5%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	0.18%	0.0%

The actual cash held by the Fund is 4.31%. 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	31.65%
Financials	26.68%
Utilities	15.88%
Real Estate	10.29%
Industrials	3.46%
Communication Services	3.26%
Consumer Staples	2.64%
Energy	0.70%
Other Sectors	0.00%
Cash and Other	5.44%

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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