

Trans-Tasman Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 May 2026



Portfolio Managers



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Portfolio Manager



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The Fund returned 1.2% in May, which was broadly in line with the benchmark. The Fund's absolute return was boosted by lower market interest rates in Australasia. Relative to the benchmark, returns were supported by security selection and sector allocation. However, our overweight to AU dollar credit detracted from performance as credit spreads (the extra yield of corporate bonds over government bonds) widened over the month.

Markets still expect global central banks to keep policy rates high because of the inflation impact from the war in Iran. In Australasia, markets expect the Reserve Bank of NZ and Reserve Bank of Australia to hike around three times and once respectively by the end of the calendar year. Even so, Australasian market interest rates fell over the month, as markets increasingly priced in the growth impacts from the conflict. The Fund has higher interest rate exposure than the benchmark, mainly in NZ, where our view is that still-patchy underlying economic momentum will likely put downward pressure on market interest rates.

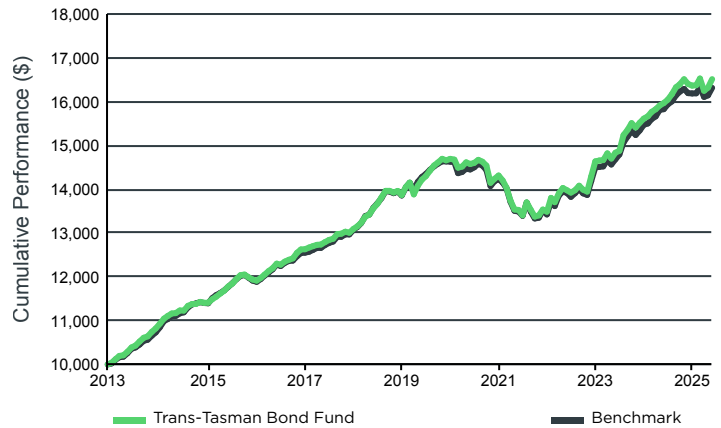
The AU dollar corporate bond market remains very active in terms of bond supply, which partly caused credit spreads there to lag the tightening seen in the US dollar and Euro denominated markets during the month. There were a number of opportunities for the Fund to deploy capital during the month, capitalising on wider credit spreads and new issue premiums available in the primary market. Examples include the Barclays PLC (UK Bank) inaugural subordinated hybrid issuance in the AU dollar market (NZ dollar equivalent yield of 6%) and CaixaBank's (Spanish retail bank) inaugural AU dollar issuance (4%). Going forward, the Fund's credit positioning relative to benchmark is close to neutral across the NZ dollar and AU dollar markets, though still moderately overweight.

Looking ahead, we remain constructive on the medium-term return outlook. While we remain wary on tight valuations in the credit markets, historically attractive bond yields provide a cushion against market volatility.

To view Milford's May 2026 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)	\$2,140.8 M
Yield²	3.60%
Average Credit Rating	A+
Duration	3.49 years
Rating Categories	Inv.Grade 94% / High Yield 4% / Unrated 3%
Inception Date	2 December 2013
Current Distribution	0.7 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%
Risk Indicator	<div style="display: flex; justify-content: space-between; align-items: center;"> Lower risk Higher risk </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> Potentially lower returns Potentially higher returns </div>

Trans-Tasman Bond Fund as at 31 May 2026

Investment Performance after fees as at 31 May 2026⁵

Unit Price: \$1.198

	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)	1.18%	-0.09%	3.42%	5.71%	2.53%	4.09%
After Tax 10.50%	1.07%	-0.07%	3.07%	5.12%	2.27%	3.67%
After Tax 17.50%	1.00%	-0.07%	2.84%	4.73%	2.10%	3.38%
After Tax 28.00%	0.88%	-0.05%	2.50%	4.14%	1.85%	2.95%
Benchmark	1.07%	-0.07%	3.09%	5.44%	2.46%	3.99%

Top Fixed Interest Holdings

Holdings	% of Fund
NZLGFA 3.5% 2033	5.08%
Westpac Float 2029	2.81%
Westpac 4.337% 2029	2.65%
Housing NZ 2.183% 2030	2.62%
Housing NZ 3.42% 2028	2.37%
NZLGFA 2.25% 2031	2.35%
NZLGFA 4.5% 2030	2.35%
Westpac 5.141% 2031	2.31%
Crédit Mutuel 4.99% 2031	2.16%
BNZ 4.354% 2031	2.00%
CaixaBank Float 2031	1.92%
NZLGFA 1.5% 2029	1.75%
GTA Finance 2.2% 2027	1.73%
Westpac 6.085% 2041	1.70%
ANZ Group Float 2029	1.69%
ICPF Finance 6.573% 2033	1.67%
Norfina Float 2028	1.59%
NZ Govt. 3.5% 2033	1.57%
HSBC 6.597% 2037	1.51%
Region Group 4.933% 2031	1.49%

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

Current Asset Allocation

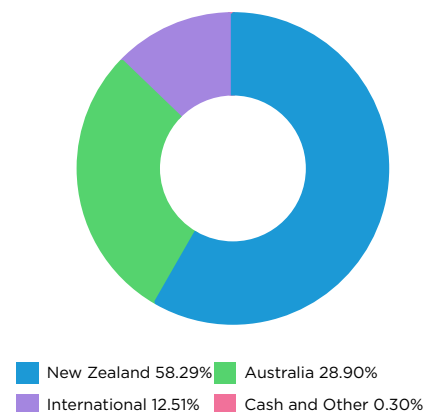
	Actual Investment Mix	Neutral Investment Mix
Effective Cash [#]	0%	3%
New Zealand Fixed Interest	55.81%	48.5%
International Fixed Interest	43.89%	48.5%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	0.30%	0.0%

[#] The actual cash held by the Fund is 2.42%. 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	42.10%
Government	22.93%
Real Estate	18.35%
Utilities	11.83%
Industrials	3.18%
Energy	0.58%
Health Care	0.39%
Communication Services	0.34%
Other Sectors	0.00%
Cash and Other	0.30%

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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