

Trans-Tasman Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 January 2026



Portfolio Managers



Anthony Ip
Portfolio Manager



Ian Robertson
Co-Portfolio Manager



Paul Morris
Co-Portfolio Manager

The Fund returned 0.1% in the month of January, close to the benchmark return. The Fund's absolute performance was driven by further tightening in credit spreads (the extra yield of corporate bonds over government bonds) which offset a rise in market interest rates. Performance relative to benchmark was supported by an overweight to AU dollar corporate bonds and an underweight in NZ market interest rates.

The Fund capitalised on a number of investment opportunities in January. In Australia, the Fund invested in AU dollar issuances from highly-rated AAA issuers such as the Canadian Pension Plan Investment Board (largest pension plan in Canada) and the Australian Federal Government at NZ dollar equivalent yields of around 3.6%. Later in the month, the Fund rotated into opportunities in the financials space including transactions from BFCM (French cooperative bank) and Commonwealth Bank at NZ dollar equivalent yields of 4%. In New Zealand, while primary markets were relatively quiet, the Fund invested in the new Bank of New Zealand 5-year deal at a NZ dollar yield of 4.4%.

The Fund continues to favour longer end AU dollar and NZ dollar bonds, which offer an attractive premium to cash rates in our view. This is mostly offset by underweights in shorter dated bonds. This positioning helped to deliver outperformance versus the benchmark during the month.

Looking ahead, historically attractive corporate bond yields in NZ and AU support medium-term returns. While we think there will be further interest rate volatility on both sides of the Tasman, we continue to view longer end interest rates as attractive in absolute terms and relative to cash rates.

To view Milford's January 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) \$1,959.9 M

Yield² 3.35%

Average Credit Rating A+

Duration 3.1 years

Rating Categories Inv.Grade 92% / High Yield 3% / Unrated 2%

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%

Risk Indicator

Lower risk Higher risk

1 2 **3** 4 5 6 7

Potentially lower returns Potentially higher returns

Trans-Tasman Bond Fund as at 31 January 2026

Investment Performance after fees as at 31 January 2026⁵

Unit Price: \$1.195

	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)	0.05%	-0.83%	4.52%	5.86%	2.21%	4.14%
After Tax 10.50%	0.05%	-0.75%	4.04%	5.23%	1.99%	3.70%
After Tax 17.50%	0.04%	-0.70%	3.71%	4.82%	1.84%	3.41%
After Tax 28.00%	0.04%	-0.63%	3.23%	4.20%	1.62%	2.98%
Benchmark	0.02%	-0.61%	4.44%	5.65%	2.06%	4.04%

Top Fixed Interest Holdings

Holdings	% of Fund
NZLGFA 3.5% 2033	4.34%
Housing NZ 3.42% 2028	2.61%
NZLGFA 4.5% 2030	2.59%
NZLGFA 2.25% 2031	2.56%
CPPIB Capital 4.75% 2031	2.56%
Crédit Mutuel 4.99% 2031	2.25%
EnBW 5.197% 2031	2.01%
NatWest 5.026% 2029	1.95%
NZLGFA 1.5% 2029	1.91%
Westpac 4.337% 2029	1.88%
GTA Finance 2.2% 2027	1.81%
NZ Govt. 3.5% 2033	1.71%
Progress Trust RMBS 2056	1.69%
Housing NZ 2.183% 2030	1.67%
Norfina Float 2028	1.66%
BWP Trust 4.55% 2030	1.63%
Region Group 4.933% 2031	1.60%
Rabobank Float 2028	1.54%
Watercare 3.847% 2030	1.52%
MTR Corp 5.582% 2038	1.49%

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

Current Asset Allocation

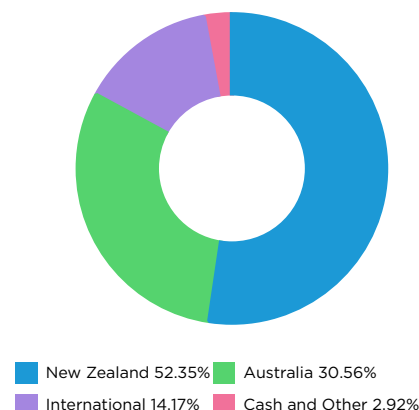
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	1.81%	3%
New Zealand Fixed Interest	51.83%	48.5%
International Fixed Interest	46.36%	48.5%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

The actual cash held by the Fund is 1.08%. 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	32.76%
Government	20.73%
Real Estate	20.32%
Utilities	15.73%
Industrials	4.24%
Communication Services	1.12%
Consumer Staples	1.07%
Energy	0.68%
Other Sectors	0.43%
Cash and Other	2.92%

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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