# Trans-Tasman Bond Fund

***Portfolio Investment Entity***

## Monthly Fact Sheet as at 30 June 2026

## Portfolio Managers

**Anthony Ip**
Portfolio Manager

**Ian Robertson**
Co-Portfolio Manager

**Paul Morris**
Co-Portfolio Manager

The Fund returned 1.1% in June, which was 0.1% ahead of the benchmark. Absolute returns were boosted by lower Australasian market interest rates and tighter credit spreads (the extra yield of corporate bonds over government bonds). Relative returns were supported by overweight positioning in NZ interest rate exposure, overweight in Australian (AU) corporate bonds and security selection. Broadly speaking, bond markets benefited from the fall in global energy prices as de-escalation of the Middle East conflict reduced inflation concerns and took some of the heat out of central bank rate hike expectations.

The Fund has been overweight NZ interest rate exposure, which supported relative returns compared to the benchmark, given the notable move lower in market interest rates during the month. We retain an overweight positioning to NZ bonds, given the value relative to the cash rate, and on higher yields relative to other markets, including Australia. We retain a broadly neutral view on Australian market interest rates. While there is growing evidence of lower economic activity, especially in the housing market, this is offset by persistent inflationary pressures in Australia.

The Fund made a number of investments in debut issuers in the Australasian market. These include AU dollar investments in Spanish mortgage bank Caixabank, German commercial bank Commerzbank and Texas based electric utility Oncor Electric, at NZ dollar equivalent yields of ~4%. These investments provided an opportunity to invest in strong offshore issuers at attractive pricing concessions relative to opportunities available domestically. The Fund also made an inaugural investment in CDC Data Centres' AU dollar subordinated notes, a transaction which priced at attractive levels with proceeds being used to fund the issuer's data centre rollout in Australia.

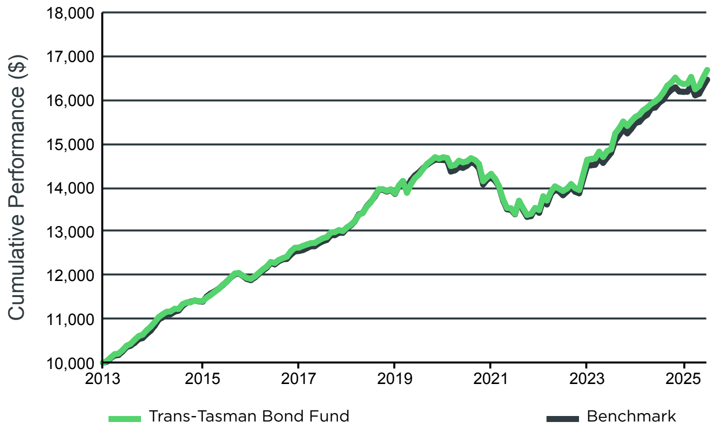
Looking ahead, despite the move lower in market interest rates, we remain constructive on the medium-term return outlook.

To view Milford's June 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

| | |
|---|---|
| Objective [1] | 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) | $2,178.8 M |
| Yield [2] | 4.15% |
| Average Credit Rating | A+ |
| Duration | 3.3 years |
| Rating Categories | Inv.Grade 89% / High Yield 3% / Unrated 4% |
| 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 Fee [3] | 0.65% |
| Performance Fee | Not applicable |
| Total Fund Fees [4] | 0.65% |
| Risk Indicator | Lower risk — Higher risk: 1 2 **3** 4 5 6 7 — Potentially lower returns — Potentially higher returns |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# Trans-Tasman Bond Fund as at 30 June 2026

## Investment Performance after fees as at 30 June 2026 [5]

Unit Price: $1.2035

| | 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) | 1.05% | 2.71% | 4.01% | 6.22% | 2.71% | 4.15% |
| After Tax 10.50% | 0.94% | 2.45% | 3.62% | 5.56% | 2.43% | 3.72% |
| After Tax 17.50% | 0.87% | 2.28% | 3.37% | 5.12% | 2.25% | 3.43% |
| After Tax 28.00% | 0.76% | 2.03% | 2.99% | 4.47% | 1.97% | 3.00% |
| Benchmark | 0.91% | 2.22% | 3.31% | 5.99% | 2.57% | 4.04% |

## Top Fixed Interest Holdings

| Holdings | % of Fund |
|---|---|
| NZLGFA 3.5% 2033 | 5.08% |
| Westpac 4.337% 2029 | 2.63% |
| Housing NZ 2.183% 2030 | 2.60% |
| Housing NZ 3.42% 2028 | 2.35% |
| NZLGFA 2.25% 2031 | 2.34% |
| NZLGFA 4.5% 2030 | 2.33% |
| Westpac 5.141% 2031 | 2.32% |
| BNZ 4.354% 2031 | 2.00% |
| CaixaBank Float 2031 | 1.92% |
| Oncor Electric 5.7% 2033 | 1.86% |
| Societe Generale 5.875% 2032 | 1.77% |
| Telefonica 6.552% 2036 | 1.74% |
| NZLGFA 1.5% 2029 | 1.74% |
| GTA Finance 2.2% 2027 | 1.73% |
| Westpac 6.085% 2041 | 1.73% |
| Rabobank Float 2031 | 1.71% |
| ICPF Finance 6.573% 2033 | 1.69% |
| Crédit Mutuel 4.99% 2031 | 1.57% |
| NZ Govt. 3.5% 2033 | 1.56% |
| HSBC 6.597% 2037 | 1.52% |

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

## Current Asset Allocation

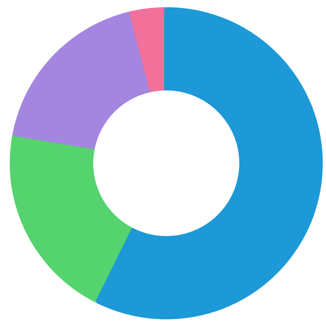
| | Actual Investment Mix | Neutral Investment Mix |
|---|---|---|
| Effective Cash # | 4.04% | 3% |
| New Zealand Fixed Interest | 53.92% | 48.5% |
| International Fixed Interest | 42.04% | 48.5% |
| New Zealand Equities | 0.00% | 0.0% |
| Australian Equities | 0.00% | 0.0% |
| International Equities | 0.00% | 0.0% |
| Other | 0.00% | 0.0% |

# The actual cash held by the Fund is 3.29%. 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 | 36.99% |
| Government | 23.49% |
| Real Estate | 17.61% |
| Utilities | 10.56% |
| Industrials | 3.67% |
| Communication Services | 2.08% |
| Health Care | 0.96% |
| Energy | 0.59% |
| Other Sectors | 0.00% |
| Cash and Other | 4.05% |

## 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.