

Trans-Tasman Bond Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 March 2026



Portfolio Managers



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The sell-off in government and corporate bonds in reaction to the Middle East conflict has weighed on Fund returns. Even more than normal, near-term returns are likely to remain uncertain (both up and down) until there is resolution of the conflict. For medium-term returns, however, we are more confident given now more reasonable valuations in the bond market. The Fund fell 1.7% in March which was 0.3% behind the benchmark.

Key headwinds to relative returns were overweight positioning to AU dollar corporate bonds and NZ dollar market interest rates. Fund returns were negatively impacted by a spike higher in market interest rates, as expectations ramped that central banks will hike policy rates to combat higher inflation risks (due to higher energy prices). On average, credit spreads (the extra yield of corporate bonds over government bonds) widened 0.1% to 0.2% during the month, which further weighed on corporate bond returns. For context, it was the weakest month for Australasian bonds since October 2021.

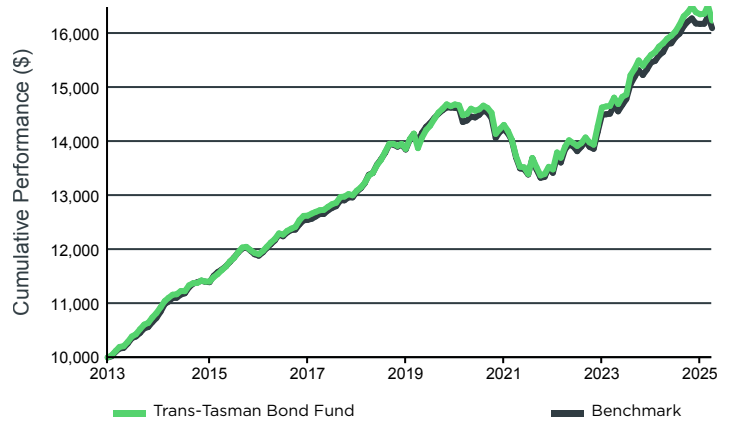
Notwithstanding the weak market backdrop, the Fund used volatility to deploy capital into opportunities which provided attractive risk-reward, while recycling capital out of lower-risk positions that had sold off to a lesser extent. Examples of these opportunities included initiating a position in Queensland port operator Dalrymple Bay Infrastructure and Australian government-owned broadband operator NBN. The Fund also made an investment in the Euro-denominated issuance from airport operator Melbourne Airport, which looks attractive relative to similar opportunities in the AU dollar market. These investments were funded by monetising gains in lower-risk positions that had outperformed, such as government and supranational bonds, but where further outperformance may be limited.

Looking ahead, the reset lower in bond valuations offers an improved medium-term risk-reward outlook. Crisis resolution or stability is likely needed for market volatility to abate. However, whether it extends or is resolved, expectations for interest rate hikes (represented by high market interest rates) appear overdone in our view. This makes the returns from bonds attractive and will provide a strong underpinning for medium-term Fund returns.

To view Milford's March 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)	\$2,137.3 M
Yield²	3.43%
Average Credit Rating	A+
Duration	3.39 years
Rating Categories	Inv.Grade 92% / High Yield 3% / Unrated 2%
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 March 2026

Investment Performance after fees as at 31 March 2026⁵

Unit Price: \$1.1787

	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)	-1.70%	-0.72%	2.66%	5.31%	2.28%	4.01%
After Tax 10.50%	-1.55%	-0.66%	2.36%	4.75%	2.05%	3.59%
After Tax 17.50%	-1.45%	-0.61%	2.17%	4.38%	1.89%	3.31%
After Tax 28.00%	-1.30%	-0.54%	1.88%	3.83%	1.66%	2.89%
Benchmark	-1.35%	-0.49%	2.83%	5.14%	2.27%	3.94%

Top Fixed Interest Holdings

Holdings	% of Fund
NZLGFA 3.5% 2033	5.03%
Housing NZ 2.183% 2030	2.61%
Housing NZ 3.42% 2028	2.39%
NZLGFA 4.5% 2030	2.36%
NZLGFA 2.25% 2031	2.33%
Westpac 5.141% 2031	2.26%
CPPIB Capital 4.75% 2031	2.23%
DBS Bank 5.065% 2031	2.14%
Crédit Mutuel 4.99% 2031	2.12%
BNZ 4.354% 2031	1.97%
Westpac 6.085% 2041	1.95%
EnBW 5.197% 2031	1.89%
NatWest 5.026% 2029	1.84%
NZLGFA 1.5% 2029	1.74%
GTA Finance 2.2% 2027	1.71%
Westpac 4.337% 2029	1.68%
SAFA 4.75% 2035	1.62%
Norfina Float 2028	1.59%
NZ Govt. 3.5% 2033	1.57%
NSW Treasury 2.5% 2032	1.56%

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

Current Asset Allocation

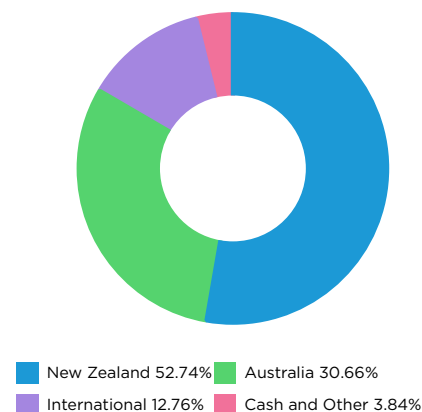
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	3.12%	3%
New Zealand Fixed Interest	51.31%	48.5%
International Fixed Interest	45.57%	48.5%
New Zealand Equities	0.00%	0.0%
Australian Equities	0.00%	0.0%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

The actual cash held by the Fund is 2.41%. 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	30.39%
Government	27.19%
Real Estate	17.22%
Utilities	14.00%
Industrials	5.14%
Communication Services	1.24%
Energy	0.58%
Health Care	0.39%
Other Sectors	0.00%
Cash and Other	3.85%

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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