

# Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 January 2021



## Portfolio Managers



**Sam Trethewey**  
Portfolio Manager



**Wayne Gentile**  
Portfolio Manager

January was a mixed month for the Fund as local markets took a breather following a very strong finish to 2020. The Trans-Tasman Equity Fund returned -0.4% in January compared to a -0.3% return for the NZX 50 index and 0.3% return for the ASX 200 index.

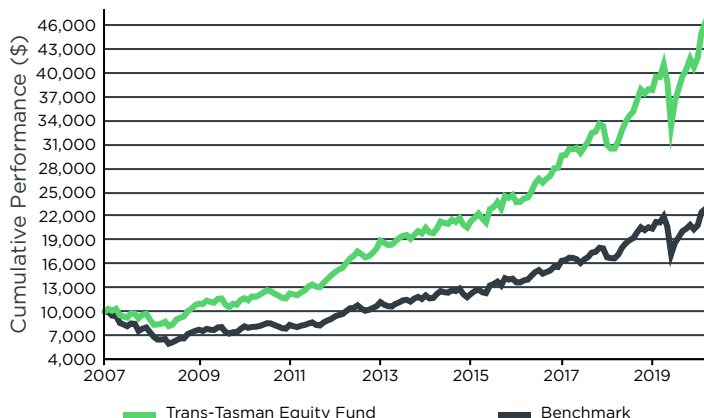
Fisher & Paykel Healthcare (+5.1%), Afterpay (+14.5%) and wealth management platform Hub24 (+14.6%) were standout performers for the Fund. Fisher & Paykel provided a strong trading update with group revenue from the past nine months up 73% vs the prior financial year. The company continues to see significant demand for its products due to the elevated rates of hospitalisations across the northern hemisphere. The Fund was hurt by its position in Xero (-11.5%). The company's share price was impacted by hedge funds reducing risk across global markets in response to increased volatility. We retain conviction in Xero's medium-term outlook and expect business creations to be strong in the current economic environment. Elsewhere, we substantially reduced our exposure to the NZ electricity companies over the month. This sector has been heavily sought after in recent months by passive investors seeking exposure to renewable energy.

It is clear that the virus will continue to have an impact on company earnings in 2021. This could result in big winners and losers in the coming months as pent-up consumer demand results in elevated profits for some, while others still trapped in the eye of the COVID-19 storm, like Auckland Airport and Air New Zealand, suffer. Irrespective of short-term market performance, long term returns will be heavily influenced by our stock selection. That is our ability to position the Fund in companies that can sustain earnings growth at above average rates (like Mainfreight, Xero and Fisher & Paykel Healthcare) and avoid those where we see stretched balance sheets, earnings or valuation risk.

To view Milford's February 2021 Market and Economic Review please see [milfordasset.com/fact-sheet](http://milfordasset.com/fact-sheet).

## 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<sup>1</sup>** Capital growth by out-performing a mix of two relevant share market indices over a minimum of five years

**Description** Primarily invests in Australasian equities

**Target Allocation** 5% Income Assets / 95% Growth Assets

**Neutral FX Exposure** 0%

**Net Asset Value (NAV)** \$714.6 M

**Buy-sell Spread** None - swing pricing applies (See PDS for details)

**Inception Date** 1 October 2007

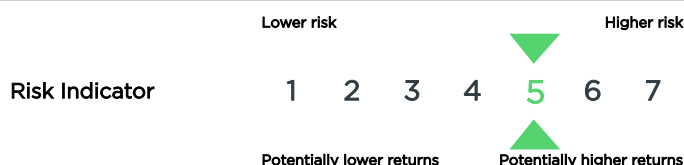
**Current Distribution** 1.5 cents per unit (Biannually)

**Benchmark** 50% x S&P/ASX 200 Total Return Index (100% NZD-hedged) + 50% x S&P/NZX 50 Gross Index

**Base Fund Fee<sup>2</sup>** 1.05%

**Performance Fee** 15% of the Fund's returns above the Benchmark<sup>1</sup>, subject to the high watermark.

**Total Fund Fees<sup>3</sup>** 1.05%



## External Ratings



Milford Trans-Tasman Equity Fund received a Morningstar Analyst Rating™ of 'Silver' on 13-03-2019

## Trans-Tasman Equity Fund as at 31 January 2021

### Investment Performance after fees as at 31 January 2021<sup>4</sup>

Unit Price: \$3.7155

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Trans-Tasman Equity Fund (Gross Of Tax)	-0.35%	10.15%	12.38%	14.89%	16.28%	12.14%
After Tax 10.50%	-0.40%	10.12%	12.38%	14.61%	15.94%	11.71%
After Tax 17.50%	-0.43%	10.11%	12.37%	14.43%	15.70%	11.49%
After Tax 28.00%	-0.47%	10.09%	12.36%	14.15%	15.36%	11.11%
Benchmark	0.30%	10.25%	4.68%	11.12%	13.06%	6.43%

### Top Security Holdings

Holdings	% of Fund
Fisher & Paykel	8.08%
Mainfreight	4.28%
Xero	4.03%
BHP	3.63%
Infratil	3.54%
CBA	3.46%
a2 Milk	3.45%
CSL	2.83%
Ryman Healthcare	2.81%
Summerset	2.61%

### Current Asset Allocation

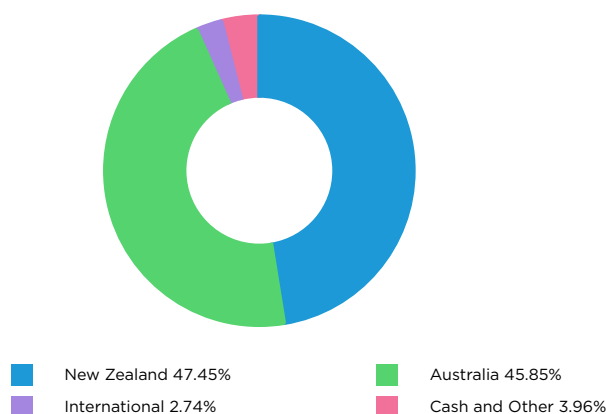
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	3.96%	5.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	43.78%	47.50%
Australian Equities	52.26%	47.50%
International Equities	0.00%	0%
Other	0.00%	0%

# The actual cash held by the Fund is 5.43%. 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 %
Health Care	18.17%
Financials	15.35%
Materials	13.31%
Industrials	11.17%
Information Technology	7.78%
Utilities	7.65%
Consumer Staples	6.02%
Consumer Discretionary	5.70%
Communication Services	5.16%
Real Estate	4.17%
Energy	1.56%
Cash and Other	3.96%

### Region Exposure



1. After the base fund fee but before tax and before the performance fee. 2. Where applicable, the Base Fund Fee includes an estimate of non-related underlying fund charges. 3. 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. 4. Assumes the reinvestment of distributions. 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](http://milfordasset.com/fact-sheet) for more information about the data published within this document.

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