

# Trans-Tasman Equity Fund

Portfolio Investment Entity

## Monthly Fact Sheet as at 31 May 2022



### Portfolio Managers



**Sam Trethewey**  
Portfolio Manager



**Wayne Gentle**  
Co-Portfolio Manager

The Fund fell 4.1% in May. This compares to a 4.9% decline in the NZX 50 and a 2.6% decline in the ASX 200. Local equity markets continue to be driven by cautious sentiment towards rising interest rates and inflation pressures.

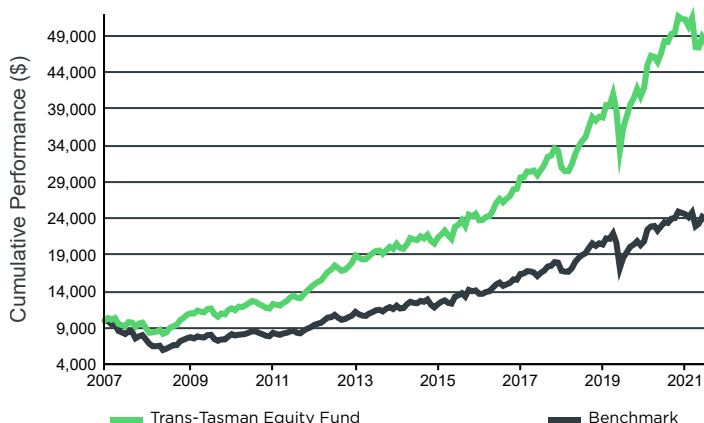
Performance was led by iron ore miner BHP (+4.4%) and oil and gas producer Santos (+2.5%). Australian resources, including BHP and Santos, were the standout performer this month as it became evident China will attempt to aggressively stimulate its economy to maintain economic growth. Elsewhere NZ technology exposure Pushpay rallied 10.6%. The return from Pushpay highlights the elevated takeover activity that appears to be occurring across the NZX at present. Three of our holdings; Pushpay, SkyTV and Comvita, received either expressions of interest or media speculation that they may be in play during the month. This is reflective of the stage of the cycle we are in; share prices are depressed by short term valuation and earnings headwinds, some investors willing to look through this see value. Over the month we added to Lithium miner IGO and Auckland Airport on weakness and reduced a2 Milk into strength associated with speculation it may supply infant formula to the US market. The Fund finished the month with cash of 4%.

Looking ahead, we expect the next few months to continue to be a significant test of the NZ economy given the headwinds of a cooling housing market and inflation pressures. Our team spent significant time on the road this month visiting companies. In our discussions there was consistent mention of a significant backlog of demand in many sectors and labour supply is extremely tight. The question is will demand hold up as living costs rise. In contrast, the Australian economic outlook is being supported by high commodity prices and more supportive monetary policy. Consequently, we have positioned the Fund heavily towards the ASX and defensively across the NZX. Our strategy is to remain active and take advantage of opportunities as they occur. Irrespective of short-term market performance, long-term returns of the Fund will be influenced by our stock selection.

To view Milford's June 2022 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

<b>Objective<sup>1</sup></b>	To provide capital growth by out-performing a mix of two relevant share market indices over the minimum recommended investment timeframe
<b>Description</b>	Primarily invests in Australasian equities
<b>Minimum recommended investment timeframe</b>	8 years +
<b>Target Allocation</b>	5% Income Assets / 95% Growth Assets
<b>Neutral FX Exposure</b>	0%
<b>Net Asset Value (NAV)</b>	\$739.3 M
<b>Buy-sell Spread</b>	None - swing pricing applies (See PDS for details)
<b>Inception Date</b>	1 October 2007
<b>Current Distribution</b>	1.5 cents per unit (Biannually)
<b>Benchmark</b>	50% x S&P/ASX 200 Total Return Index (100% NZD-hedged) + 50% x S&P/NZX 50 Gross Index
<b>Base Fund Fee<sup>2</sup></b>	1.05%
<b>Performance Fee</b>	15% of the Fund's returns above the Benchmark <sup>1</sup> , subject to the high watermark.
<b>Total Fund Fees<sup>3</sup></b>	1.05%

	Lower risk						Higher risk
<b>Risk Indicator</b>	1	2	3	4	5	6	7
	Potentially lower returns				Potentially higher returns		

### External Ratings



Milford Trans-Tasman Equity Fund received a Morningstar Analyst Rating™ of 'Silver' on 19-05-2021

## Trans-Tasman Equity Fund as at 31 May 2022

### Investment Performance after fees as at 31 May 2022<sup>4</sup>

Unit Price: \$3.6696

	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)	-4.14%	-2.47%	-4.04%	9.58%	12.03%	11.00%
After Tax 10.50%	-4.15%	-2.51%	-4.26%	9.37%	11.77%	10.60%
After Tax 17.50%	-4.15%	-2.53%	-4.41%	9.23%	11.60%	10.38%
After Tax 28.00%	-4.16%	-2.57%	-4.64%	9.02%	11.34%	10.02%
Benchmark	-3.70%	-1.12%	-1.56%	6.17%	9.28%	5.85%

### Top Security Holdings

Holdings	% of Fund
BHP	6.15%
CSL	5.47%
CBA	5.19%
Infratil	4.58%
Fisher & Paykel	4.25%
NAB	4.23%
EBOS Group	4.11%
Mainfreight	3.69%
Contact Energy	3.58%
Auckland Airport	3.10%

### Current Asset Allocation

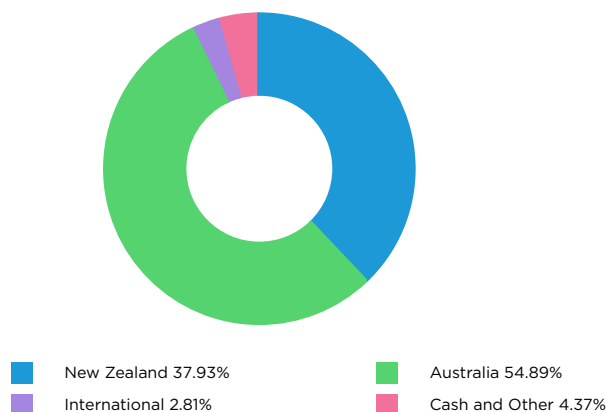
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	4.30%	5.0%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	42.13%	47.5%
Australian Equities	53.50%	47.5%
International Equities	0.00%	0.0%
Other	0.07%	0.0%

# The actual cash held by the Fund is 6.35%. 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	17.67%
Financials	14.63%
Materials	13.50%
Utilities	11.27%
Industrials	9.13%
Communication Services	7.67%
Consumer Staples	6.56%
Consumer Discretionary	5.70%
Other Sectors	9.50%
Cash and Other	4.37%

### 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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