

# Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 June 2022



## Portfolio Managers



Sam Trethewey  
Portfolio Manager



Wayne Gentle  
Co-Portfolio Manager

The Fund fell 6.3% in June. This compares to a 3.8% decline in the NZX 50 and an 8.7% decline in the ASX 200 as local share markets followed the global risk-off tone.

Performance was supported by quick service restaurateur Collins Foods (+7.5%) and infrastructure investor Infratil (-0.8%). Collins Foods reported a strong financial result that demonstrated robust demand across its KFC store network and pricing power to offset inflation pressures. Infratil is a key defensive position for the Fund. We continue to be attracted to Infratil's infrastructure portfolio, the growth prospects that sit within each portfolio holding and strong balance sheet. Over the month we reduced holdings in Auckland Airport and Woodside Energy as the share price rallied.

Looking ahead, the short term is likely to remain volatile. We expect sentiment towards the NZ economy to remain weak in coming months as the RBNZ continues to lift interest rates and inflation pressures are evident. Australia is facing a similar economic backdrop but with the assistance of elevated commodity prices and relatively more supportive monetary policy. Looking to the medium term, some valuations are reaching attractive levels however in the current environment the market is likely to question earnings sustainability until it is provided certainty. The Fund is defensively positioned in companies we believe are best placed to navigate the upcoming economic conditions. Cash is elevated at present, which allows the Fund to remain active and take advantage of stock opportunities as they occur.

To view Milford's July 2022 Market and Economic Review please see [milfordasset.com/fact-sheet](https://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>** To provide capital growth by out-performing a mix of two relevant share market indices over the minimum recommended investment timeframe

**Description** 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>	\$686.1 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%

**Risk Indicator**

Lower risk Higher risk

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 30 June 2022

## Investment Performance after fees as at 30 June 2022<sup>4</sup>

Unit Price: \$3.439

	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)	-6.26%	-11.35%	-12.02%	5.87%	10.19%	10.45%
After Tax 10.50%	-6.24%	-11.32%	-12.23%	5.70%	9.94%	10.06%
After Tax 17.50%	-6.22%	-11.30%	-12.38%	5.59%	9.77%	9.84%
After Tax 28.00%	-6.20%	-11.28%	-12.59%	5.43%	9.52%	9.48%
Benchmark	-6.30%	-10.97%	-10.01%	2.63%	7.57%	5.35%

## Top Security Holdings

Holdings	% of Fund
CSL	6.18%
BHP	5.00%
Infratil	4.88%
CBA	4.86%
Fisher & Paykel	4.35%
NAB	4.01%
EBOS Group	3.88%
Contact Energy	3.71%
Mainfreight	3.29%
Spark	2.88%

## Current Asset Allocation

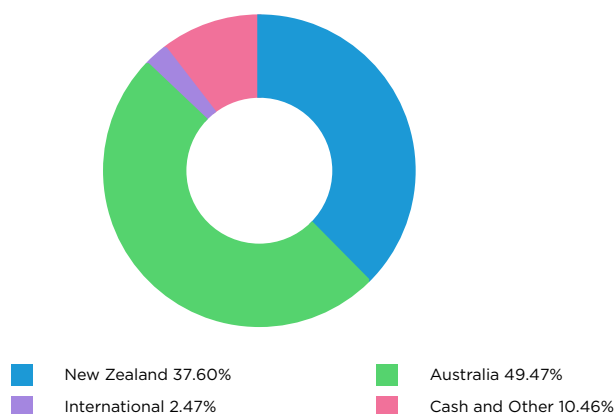
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	10.46%	5.0%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	41.56%	47.5%
Australian Equities	47.98%	47.5%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

# The actual cash held by the Fund is 11.84%. 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	18.14%
Financials	13.10%
Materials	11.45%
Utilities	11.07%
Industrials	8.97%
Communication Services	7.30%
Consumer Staples	6.03%
Consumer Discretionary	4.65%
Other Sectors	8.83%
Cash and Other	10.46%

## 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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