

# Trans-Tasman Equity Fund

Portfolio Investment Entity

## Monthly Fact Sheet as at 30 April 2021



### Portfolio Managers



**Sam Trethewey**  
Portfolio Manager



**Wayne Gentle**  
Co-Portfolio Manager

The Fund returned 3.6% in April, ahead of both the NZX 50 Index (+1.4%) and the ASX 200 Index (+3.5%).

In NZ, market heavyweight Fisher & Paykel Healthcare (+12.0%) was the standout performer. Fisher & Paykel's respiratory products continue to be used as a front-line treatment in the fight against COVID-19 and the stock rallied following another resurgence in global cases. In Australia, standout performers included miner IGO (+19.3%), wealth management platform HUB24 (+21.8%) and retailer Universal Stores (+27.1%). Elsewhere the NZ government announced the start of quarantine-free travel between Australia and New Zealand. This is an important development for the sector as it will greatly reduce the cash burn and balance sheet pressure of tourism companies such as Auckland Airport and Air New Zealand. Share price reaction to the travel bubble news was muted, with these companies already trading at valuations similar too or even higher than before the pandemic. Over the month we added to our holding in Contact Energy. The share price has been under pressure in recent months due to passive fund selling associated with an index change (namely the iShares Clean Energy Index). It is a good example of active management taking advantage of passive flow.

Looking ahead, May is set to provide insight into the pandemic recovery with another round of trading updates, results and investor days from our local companies. It is evident that both NZ and Australia have had a shallower economic pullback than many of the major offshore economies and are further into the recovery. Local equity markets appear to be becoming increasingly confident that the impact of COVID-19 is unlikely to extend materially beyond 2021. We are monitoring the vaccine rollout and timing of international travel as key risks to this view and have positioned the Fund accordingly. 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 May 2021 Market and Economic Review please see [milfordasset.com/fact-sheet](http://milfordasset.com/fact-sheet).

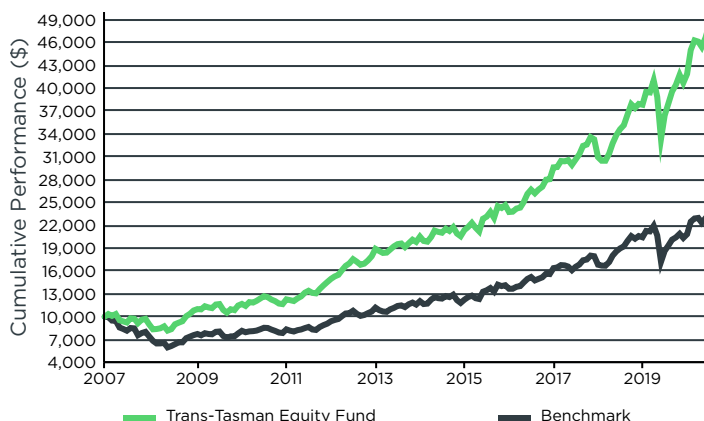
### External Ratings



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

### 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)** \$835.2 M

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

**Inception Date** 1 October 2007

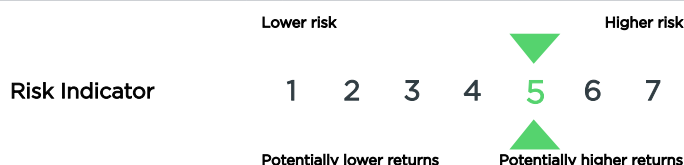
**Current Distribution** 1.5 cents per unit (Biannually)

**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%



## Trans-Tasman Equity Fund as at 30 April 2021

### Investment Performance after fees as at 30 April 2021<sup>4</sup>

Unit Price: \$3.8725

	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)	3.58%	4.71%	32.58%	16.38%	15.86%	12.29%
After Tax 10.50%	3.55%	4.74%	32.54%	16.13%	15.56%	11.87%
After Tax 17.50%	3.53%	4.75%	32.52%	15.96%	15.36%	11.65%
After Tax 28.00%	3.50%	4.78%	32.47%	15.71%	15.06%	11.28%
Benchmark	2.40%	2.24%	26.03%	12.37%	11.76%	6.49%

### Top Security Holdings

Holdings	% of Fund
Fisher & Paykel	8.04%
Mainfreight	4.47%
Xero	3.78%
CSL	3.59%
Infratil	3.43%
CBA	3.42%
NAB	3.13%
Contact Energy	2.73%
Summerset	2.71%
Rio Tinto	2.70%

### Current Asset Allocation

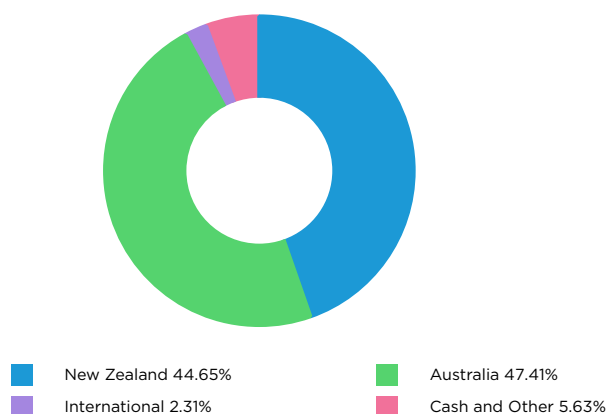
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	5.63%	5.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	42.87%	47.50%
Australian Equities	51.50%	47.50%
International Equities	0.00%	0%
Other	0.00%	0%

# The actual cash held by the Fund is 7.20%. 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	18.66%
Financials	14.40%
Materials	14.30%
Industrials	10.98%
Utilities	9.49%
Consumer Discretionary	7.62%
Information Technology	6.35%
Communication Services	4.41%
Consumer Staples	3.60%
Real Estate	2.83%
Energy	1.73%
Cash and Other	5.63%

### 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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