

# Trans-Tasman Equity Fund

Portfolio Investment Entity

## Monthly Fact Sheet as at 30 April 2022



### Portfolio Managers



**Sam Trethewey**  
Portfolio Manager



**Wayne Gentle**  
Co-Portfolio Manager

The Fund fell 1.3% in April. This compares to a 1.9% decline in the NZX 50 and a 0.9% decline in the ASX 200. The market performance continues to be driven by cautious sentiment towards rising interest rates and inflation pressures.

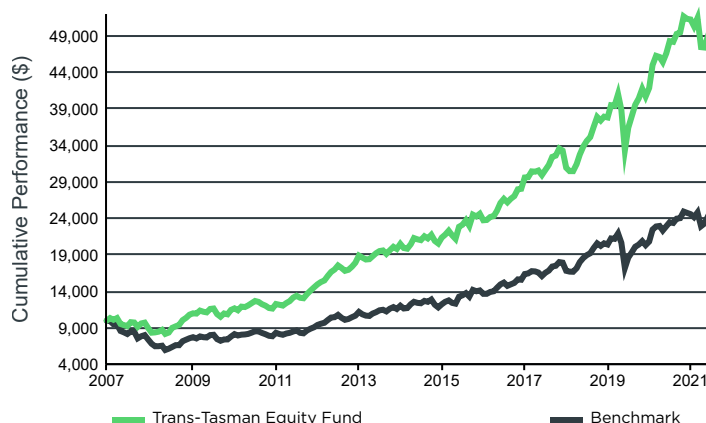
Performance for the Fund was led by supermarket operator Metcash (+5.5%) and Infratil (+1.8%). Metcash provides exposure to a largely inflation hedged earnings stream and the opportunity for the stock to be significantly re-rated as a new CEO improves the quality of the business. Infratil continues to be highly sought after by the market given its defensive earnings stream and a potential sale of Vodafone's mobile towers. Elsewhere we added to our holding in Pushpay following notice of a potential takeover offer, we exited Qantas on strength and trimmed lithium miner IGO. We finished the month with cash of 8%.

Looking ahead, we expect the next few months will be a big test of the NZ economy given a cooling housing market, inflation pressures and the RBNZ lifting interest rates at pace. In Australia, the economic outlook is far stronger, and its resources are in demand. A slowing Chinese economy is a potential headwind for Australia but for now we expect China to stimulate to maintain economic growth. Consequently, we have positioned the Fund heavily towards the ASX and defensively across the NZX. We expect markets to remain volatile in coming months given the increasing inflation pressures and tightening monetary policy. This will drive share prices to overreact to both the upside and downside as the market digests the changes. 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 May 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

**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>	\$792.5 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 April 2022

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

Unit Price: \$3.8296

	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)	-1.34%	1.65%	-0.08%	11.71%	12.58%	11.39%
After Tax 10.50%	-1.33%	1.57%	-0.39%	11.50%	12.30%	10.99%
After Tax 17.50%	-1.32%	1.53%	-0.60%	11.36%	12.12%	10.77%
After Tax 28.00%	-1.30%	1.46%	-0.90%	11.15%	11.84%	10.40%
Benchmark	-1.33%	4.20%	1.78%	8.01%	9.46%	6.16%

### Top Security Holdings

Holdings	% of Fund
BHP	5.42%
CSL	5.01%
CBA	4.79%
Infratil	4.62%
Fisher & Paykel	4.32%
Mainfreight	3.65%
EBOS Group	3.63%
Contact Energy	3.59%
NAB	3.21%
Goodman	2.86%

### Current Asset Allocation

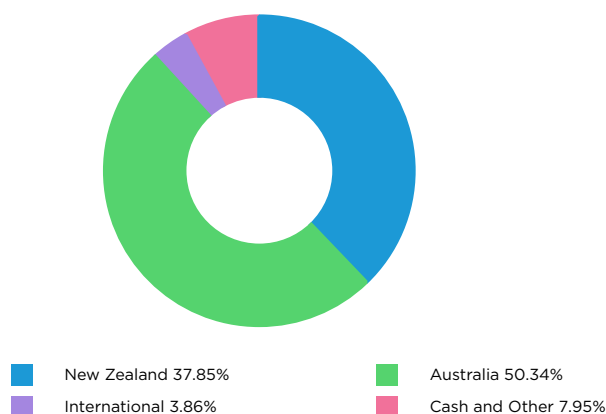
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	7.95%	5.0%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	41.59%	47.5%
Australian Equities	50.46%	47.5%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

# The actual cash held by the Fund is 6.60%. 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	17.16%
Financials	13.69%
Utilities	11.76%
Industrials	11.37%
Materials	10.46%
Communication Services	6.79%
Consumer Staples	6.42%
Consumer Discretionary	5.55%
Other Sectors	8.85%
Cash and Other	7.95%

### 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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