

# Trans-Tasman Equity Fund

## Portfolio Investment Entity

### Monthly Fact Sheet as at 30 April 2023



## Portfolio Managers



**Sam Trethewey**  
Portfolio Manager



**Wayne Gentle**  
Co-Portfolio Manager

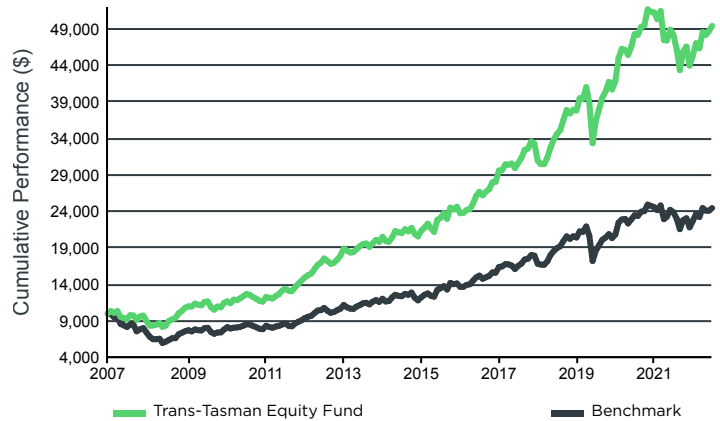
The Fund rallied 1.4% in April compared to a 1.1% return from the NZX 50 index and 1.8% return from the ASX 200. Global share markets were relatively calm over the month after a volatile March. This provided a positive lead for our local markets and allowed our stock selection to drive strong Fund returns.

Fund performance was led by Restaurant Brands (+10.6%), Xero (+4.4%) and Gentrack (+14.2%). Restaurant Brands released a solid trading update with the company continuing to implement price increases to manage inflationary pressures. We expect Restaurant Brands to be a sound defensive exposure in softer economic conditions as consumers trade down their eating out offerings. Xero continues to be well supported by investors following an announcement of a cost out programme in March. Utility software provider Gentrack benefitted from several broker upgrades over the month as the market continues to gain confidence in the outlook for the business following new customer wins and strong underlying revenue growth. During the month we exited Origin Energy following the binding implementation scheme with the Brookfield consortium, trimmed Fisher & Paykel Healthcare on strength, and continued to increase our holding in Auckland Airport on the expectation that its upcoming aeronautical pricing review is likely to present upside to earnings.

Looking ahead, the Fund remains defensive compared to history. However, over the month there were some noteworthy surprises in the economic data. Firstly, local central banks moved in opposite directions; the RBNZ caught the market out with a larger-than-anticipated interest rate hike, while the RBA paused its hiking programme. The nature of the RBNZ's hike and commentary indicated the bank remains concerned about controlling our inflation. Secondly, NZ migration data released over the month demonstrated non-NZ migrants are flowing back into our country at record levels. A continuation of this trend will be important to rebalancing the NZ labour market and ultimately slowing local inflation pressure which is critical to share valuations. We will be watching closely in coming months. The other piece of the outlook equation is company earnings, which remain under pressure. Regardless of the economic backdrop, we still expect some companies to do well for stock-specific reasons and, as demonstrated by Restaurant Brands, Xero and Gentrack this month, we will aim to position the Fund accordingly.

To view Milford's April 2023 Market and Economic Review please see [milfordasset.com/insights](https://milfordasset.com/insights).

## 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

**Minimum recommended investment timeframe** 8 years +

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

**Neutral FX Exposure** 0%

**Net Asset Value (NAV)** \$670.9 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%

**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 2023

### Investment Performance after fees as at 30 April 2023<sup>4</sup>

Unit Price: \$3.8756

	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)	1.44%	1.74%	2.43%	10.72%	10.04%	10.80%
After Tax 10.50%	1.43%	1.60%	1.91%	10.41%	9.72%	10.38%
After Tax 17.50%	1.43%	1.50%	1.56%	10.20%	9.50%	10.15%
After Tax 28.00%	1.42%	1.36%	1.04%	9.88%	9.18%	9.78%
Benchmark	1.54%	-0.04%	2.36%	9.51%	8.13%	5.91%

### Top Security Holdings

Holdings	% of Fund
Fisher & Paykel	5.90%
CSL	5.36%
BHP	5.25%
Spark	4.94%
Infratil	4.60%
Auckland Airport	4.11%
CBA	3.90%
Contact Energy	3.38%
Mainfreight	3.35%
EBOS Group	3.03%

### Current Asset Allocation

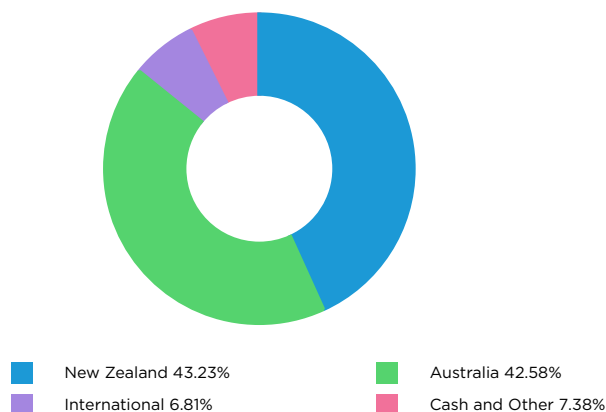
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	5.91%	5%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	44.14%	47.5%
Australian Equities	48.48%	47.5%
International Equities	0.00%	0.0%
Other	1.47%	0.0%

# The actual cash held by the Fund is 5.89%. 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	17.84%
Industrials	13.57%
Financials	12.01%
Utilities	11.57%
Communication Services	9.56%
Materials	9.32%
Consumer Staples	5.17%
Information Technology	4.35%
Other Sectors	9.23%
Cash and Other	7.38%

### 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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