

# Trans-Tasman Equity Fund

Portfolio Investment Entity

## Monthly Fact Sheet as at 31 August 2022



### Portfolio Managers



**Sam Trethewey**  
Portfolio Manager



**Wayne Gentle**  
Co-Portfolio Manager

The Fund performed strongly in August returning 1.5%. This compares to a 0.9% increase in the NZX50 and a 1.2% increase in the ASX200 following a robust earnings season over the month. Generally, the results indicated a reasonable level of resilience in the performance of our portfolio holdings despite the softening economic conditions. Elsewhere in the market, there was obvious weakness in retail earnings while the strength was surprising within NZ housing market exposures Summerset and Fletcher Building.

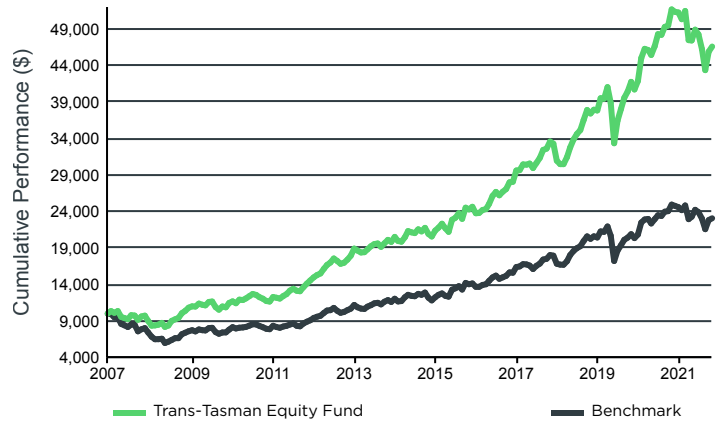
Fund performance was led by our holding in Infratil (+8.0%) and lithium miner IGO (+21.7%). Infratil had another positive catalyst come to fruition via its holding in Longroad Energy, a US based renewable electricity development business. Longroad raised capital at an impressive valuation and consequently the market repriced Infratil's holding in the business higher. Elsewhere we added to a2 Milk (+24.8%) prior to their FY22 results. Our analysis prior to the result indicated previous headwinds faced by the business were turning and the result confirmed this to be the case. We also increased holdings in Australian fuel refiner and retailer Ampol and Spark following the sale of its tower business.

Looking ahead, we were pleased with the outlook for many of our portfolio holdings following the August earnings season. We will continue to watch the local economic situation closely as the path for interest rates and earnings continues to evolve, in particular the labour and housing markets, and adjust the Fund as necessary. The Fund remains defensively positioned, away from areas of high earnings uncertainty or stretched valuations. Cash is elevated at present however that puts us in a position to take advantage of stock opportunities as they occur.

To view Milford's September 2022 Market and Economic Review please see [milfordasset.com/fact-sheet](http://milfordasset.com/fact-sheet).

### Cumulative Fund Performance

(after fees and before tax)



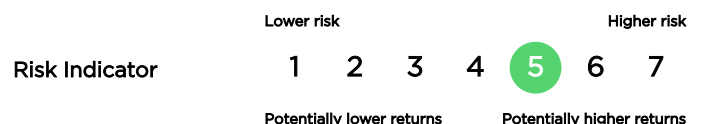
Assumes the growth of \$10,000 invested at the Fund's inception date, and assumes reinvestment of distribution.

### 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>                    | \$739.6 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%   |



### 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 August 2022

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

Unit Price: \$3.695

|  | 1 Month | 3 Months | 1 year  | 3 years (p.a.) | 5 years (p.a.) | Since inception (p.a.) |
|--|---------|----------|---------|----------------|----------------|------------------------|
| Milford Trans-Tasman Equity Fund<br>(Gross Of Tax) | 1.53%   | 0.74%    | -9.84%  | 7.58%          | 10.73%         | 10.86%                 |
| After Tax 10.50%                                   | 1.51%   | 0.73%    | -9.94%  | 7.38%          | 10.47%         | 10.46%                 |
| After Tax 17.50%                                   | 1.49%   | 0.72%    | -10.01% | 7.25%          | 10.30%         | 10.25%                 |
| After Tax 28.00%                                   | 1.47%   | 0.71%    | -10.11% | 7.05%          | 10.05%         | 9.89%                  |
| Benchmark  | 1.09%   | 0.21%    | -7.51%  | 4.44%          | 8.06%          | 5.76%                  |

### Top Security Holdings

| Holdings         | % of Fund |
|------------------|-----------|
| CSL              | 5.86%     |
| Infratil         | 4.95%     |
| Spark            | 4.34%     |
| EBOS Group       | 4.02%     |
| Fisher & Paykel  | 3.99%     |
| Contact Energy   | 3.78%     |
| CBA              | 3.72%     |
| BHP              | 3.69%     |
| Mainfreight      | 3.16%     |
| Auckland Airport | 3.12%     |

### Current Asset Allocation

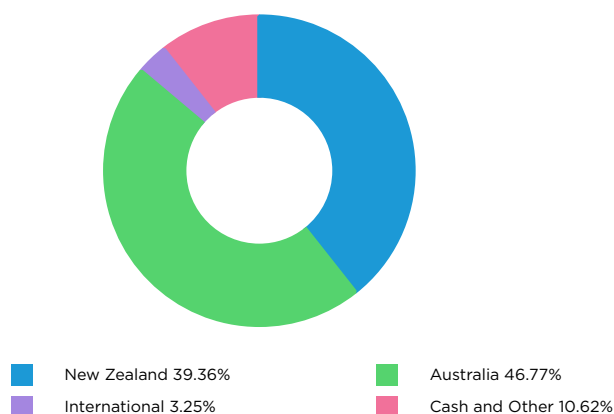
|                              | Actual Investment Mix | Neutral Investment Mix |
|------------------------------|-----------------------|------------------------|
| Effective Cash #             | 10.62%                | 5.0%                   |
| New Zealand Fixed Interest   | 0.00%                 | 0.0%                   |
| International Fixed Interest | 0.00%                 | 0.0%                   |
| New Zealand Equities         | 43.19%                | 47.5%                  |
| Australian Equities          | 46.19%                | 47.5%                  |
| International Equities       | 0.00%                 | 0.0%                   |
| Other                        | 0.00%                 | 0.0%                   |

# The actual cash held by the Fund is 11.33%. 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            | 17.70%   |
| Financials             | 11.64%   |
| Utilities              | 10.90%   |
| Materials              | 10.67%   |
| Industrials            | 9.32%    |
| Communication Services | 9.03%    |
| Consumer Staples       | 5.09%    |
| Energy                 | 4.70%    |
| Other Sectors          | 10.33%   |
| Cash and Other         | 10.62%   |

### 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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