

Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 August 2023



Portfolio Managers



Sam Trethewey
Portfolio Manager



Wayne Gentle
Co-Portfolio Manager

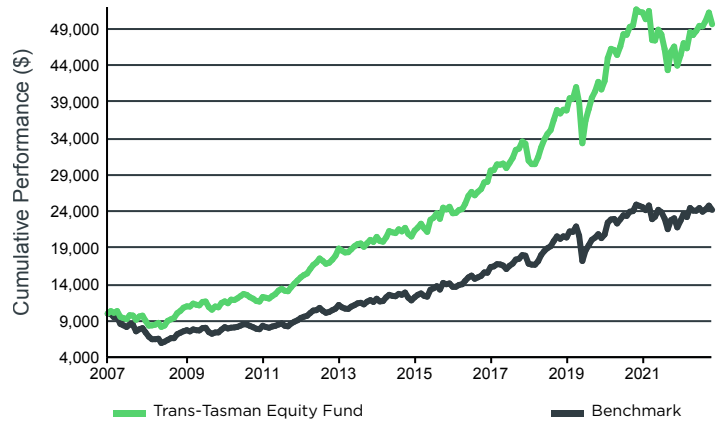
The Fund fell 3.1% in August, compared to a 4.2% decline in the NZX 50 index and a 0.7% fall in the ASX 200. August was a volatile month for the Fund to navigate, with a weaker than expected reporting season combining with a move higher in global interest rates. Generally, reporting season saw companies release results that reflected stable revenue. However, cost inflation was rife with increasing input costs, capex and interest expense impacting profit margins. Cost inflation was expected by the market given the current economic backdrop, but pressure was more intense in several instances than the market anticipated.

Fund performance was led by RV rental company Tourism Holdings (+9.3%) and industrial property developer Goodman Group (+13.7%). Tourism Holdings reported a strong result, returning to profitability and paying a dividend after several years of pandemic impacted performance. Goodman Group also delivered a strong result and indicated it was seeing significant growth opportunity ahead in developing data centres. The key detractor to Fund performance was Iress (-38.3%), a financial service software company. Iress had been in turnaround mode following the appointment of a new CEO last year and introduction of a significant cost out programme. However, its result highlighted underlying operating costs rising faster than expected and offsetting any cost out. The size of the Fund's position is modest and remains under review. Elsewhere during the month, the Fund added to its holding in Auckland Airport via the Council sell down and to iron ore miner Rio Tinto, while trimming positions in ANZ Bank and a2 Milk Company.

Looking ahead, focus will shift towards the upcoming NZ general election in October before earnings return to view via trading updates at annual meeting season over November. The NZ general election represents an opportunity to lift investor confidence. Regarding earnings, the positive from August is that profit expectations have been set low for the year ahead and the earnings cycle has taken a step closer towards bottoming. Regardless of the backdrop, we continue to find attractive investment opportunities and, as such, the Fund remains well invested. We believe some companies will continue to perform strongly for stock-specific reasons.

To view Milford's August 2023 Market and Economic Review please see 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

Objective¹ 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) \$654.7 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 Fee² 1.05%

Performance Fee 15% of the Fund's returns above the Benchmark¹, subject to the high watermark.

Total Fund Fees³ 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 31 August 2023

Investment Performance after fees as at 31 August 2023⁴

Unit Price: \$3.8901

	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)	-3.14%	0.58%	6.54%	5.94%	8.13%	10.59%
After Tax 10.50%	-3.16%	0.55%	5.97%	5.58%	7.80%	10.18%
After Tax 17.50%	-3.17%	0.53%	5.59%	5.34%	7.59%	9.95%
After Tax 28.00%	-3.19%	0.50%	5.01%	4.98%	7.26%	9.58%
Benchmark	-2.39%	1.01%	4.94%	5.04%	6.08%	5.71%

Top Security Holdings

Holdings	% of Fund
CSL	5.93%
Infratil	5.76%
Fisher & Paykel	5.33%
BHP	5.04%
Spark	4.68%
CBA	3.43%
Auckland Airport	3.42%
Xero	3.39%
Contact Energy	3.05%
Mainfreight	2.89%

Current Asset Allocation

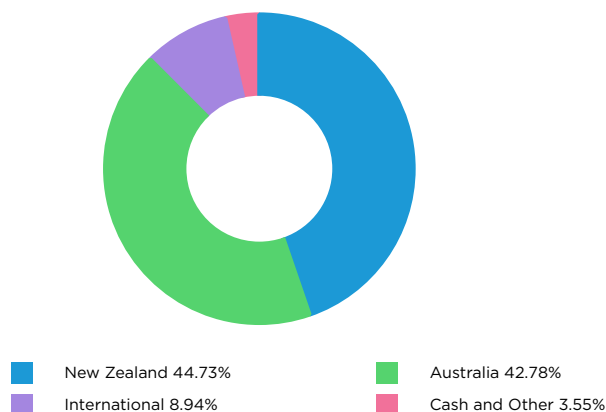
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	3.47%	5%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	44.05%	47.5%
Australian Equities	52.40%	47.5%
International Equities	0.00%	0.0%
Other	0.08%	0.0%

The actual cash held by the Fund is 2.56%. 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	20.17%
Industrials	18.75%
Materials	10.98%
Financials	10.35%
Communication Services	9.61%
Utilities	7.46%
Information Technology	6.09%
Real Estate	4.45%
Other Sectors	8.59%
Cash and Other	3.55%

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 for more information about the data published within this document.

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