

# Trans-Tasman Equity Fund

## Portfolio Investment Entity

Monthly Fact Sheet as at 31 December 2023



### Portfolio Managers



**Sam Trethewey**  
Portfolio Manager



**Wayne Gentle**  
Co-Portfolio Manager

The Fund rallied 6.1% in December and has returned 11.2% over the past year. December saw global investors embrace the possibility of a soft-landing outcome for economies and our local market followed. The Fund return compares to a 4.0% return in the NZX 50 index and a 7.3% return for the ASX 200.

Fund performance was led by our small biotech holding Neuren Pharmaceuticals (+61.1%), Xero (+9.0%) and Santos (+10.0%). Neuren announced a very successful phase two trial result for its treatment for Phelan-McDermid syndrome, a rare genetic condition that causes developmental and speech delays within children. Xero benefitted from the move lower in global interest rates while Santos indicated it had been in merger discussions with the other major Australian oil and gas producer Woodside Energy. Elsewhere, we added Channel Infrastructure (formerly NZ Refinery) to the Fund via a sell down by Mobil of its 14.2% stake. We also increased our position in Fisher & Paykel Healthcare after the company's latest result demonstrated material new growth in its anaesthesia product set and trimmed CSL following strong share price performance.

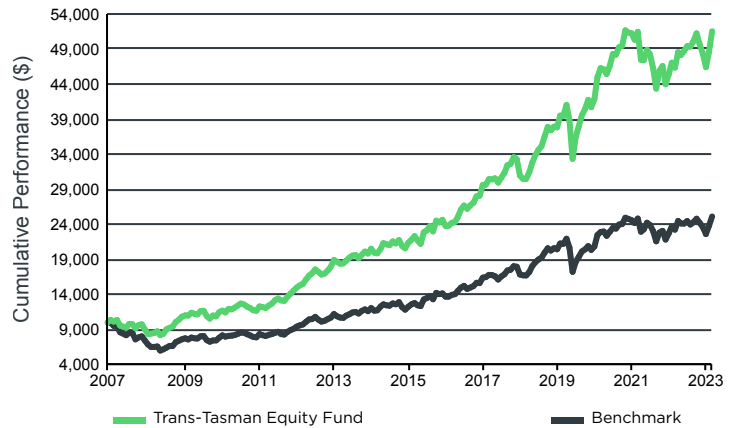
Looking ahead, the possibility of a soft-landing outcome for the global economy is promising but the risks remain balanced depending on growth and inflation. Locally we expect the Australian share market to continue to benefit from a relatively robust economy and elevated commodity prices. In NZ the earnings outlook for cyclical companies, however, is likely to remain challenged in the coming months and this environment could see increasing pressure on our Reserve Bank to reduce interest rates in the coming year. Regardless of the backdrop, we continue to find investment opportunities, and remain confident in our portfolio companies and their ability to produce attractive returns.

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

For previous fund reports see [milfordasset.com/fund-reports](https://milfordasset.com/fund-reports).

### 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 with the ability to invest in international equities opportunistically

**Minimum recommended investment timeframe** 8 years +

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

**Neutral FX Exposure** 0%

**Net Asset Value (NAV)** \$650.8 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



The Milford Trans-Tasman Equity Fund has a Morningstar Medalist Rating<sup>TM</sup> of 'Silver' as of 19-09-2023

# Trans-Tasman Equity Fund as at 31 December 2023

## Investment Performance after fees as at 31 December 2023<sup>4</sup>

Unit Price: \$4.0161

	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)	6.08%	6.56%	11.23%	3.67%	11.08%	10.62%
After Tax 10.50%	6.06%	6.52%	10.86%	3.31%	10.78%	10.20%
After Tax 17.50%	6.05%	6.49%	10.61%	3.07%	10.58%	9.98%
After Tax 28.00%	6.04%	6.44%	10.23%	2.71%	10.28%	9.60%
Benchmark	5.63%	6.40%	8.13%	3.13%	8.51%	5.83%

## Top Security Holdings

Holdings	% of Fund
BHP	5.68%
Infratil	5.51%
Fisher & Paykel	5.41%
Auckland Airport	4.68%
CSL	4.60%
Xero	4.11%
Spark	3.85%
Contact Energy	3.64%
NAB	2.62%
Summerset	2.61%

## Current Asset Allocation

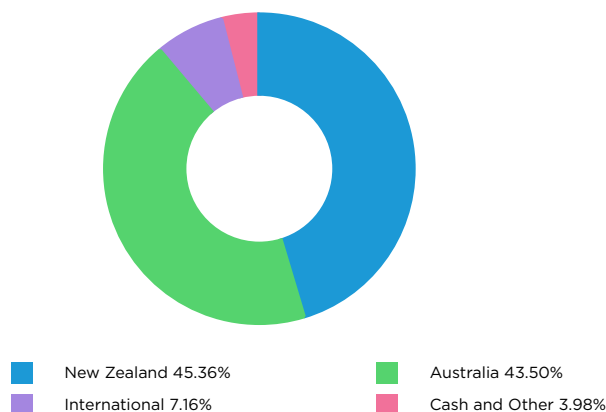
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	3.37%	5%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	43.72%	47.5%
Australian Equities	52.30%	47.5%
International Equities	0.00%	0.0%
Other	0.61%	0.0%

# The actual cash held by the Fund is 4.55%. 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	18.38%
Industrials	16.58%
Financials	12.02%
Materials	10.25%
Communication Services	8.83%
Information Technology	7.20%
Utilities	7.16%
Energy	5.45%
Other Sectors	10.15%
Cash and Other	3.98%

## 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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