

# Trans-Tasman Equity Fund

## Portfolio Investment Entity

Monthly Fact Sheet as at 29 February 2024



### Portfolio Managers



**Sam Trethewey**  
Portfolio Manager



**Wayne Gentle**  
Co-Portfolio Manager

The Fund delivered -0.3% in February, as the local market digested a weak corporate earnings season. The Fund return compares to a 1.1% decline for the NZX 50 index and a +0.9% return for the ASX 200.

Fund performance was led by tech companies Xero (+14.9%) and Gentrack (+22.0%), while relative performance benefited from a minimal holding in Fletcher Building (-9.3%). Xero held an investor day in Melbourne which we attended. The day highlighted strong progress in product development for its offer in the key UK and US markets, a refreshed management team and confidence in ongoing strong revenue growth. Gentrack continues to deliver strong performance on the back of increasing investor awareness of the growth opportunity ahead of the company. Fletcher Building heavily disappointed the market with a large downgrade to its earnings outlook, and combined this with resignation of both the CEO and Chairman. Elsewhere, we added to our position in Precinct Properties via a large shareholder sell down, and reduced exposure to retirement village operator Summerset and telco Telstra following strong share price performance.

Looking ahead, the economic cycle continues to progress locally, albeit at a glacial pace. The February earnings season highlighted revenue pressure is impacting the performance of many cyclical companies as consumer spending slows and cost pressures persist. We remain very cautious of holdings in these companies given the stage of the cycle, particularly in NZ.

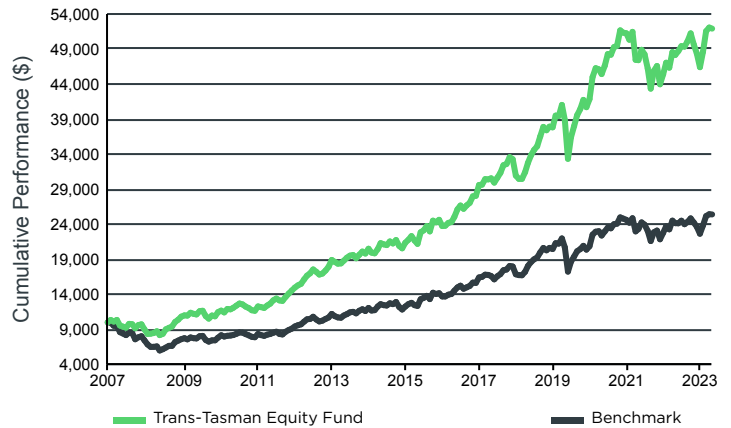
Pleasingly, the RBNZ calmed some nerves that interest rates still may have to rise further with a firm "hold" call within its February monetary policy statement. We expect the Australian share market to continue to benefit from a relatively more robust economy and strong commodity prices. Regardless of the economic backdrop, we continue to find attractive investment opportunities and remain confident in our portfolio companies and their ability to produce attractive, risk-adjusted returns over the medium term.

To view Milford's February 2024 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

<b>Objective<sup>1</sup></b>	To provide capital growth by out-performing a mix of two relevant share market indices over the minimum recommended investment timeframe
<b>Description</b>	Primarily invests in Australasian equities with the ability to invest in international equities opportunistically

<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>	\$648.4 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%

	Lower risk					Higher risk	
<b>Risk Indicator</b>	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™ of 'Silver' as of 19-09-2023

# Trans-Tasman Equity Fund as at 29 February 2024

## Investment Performance after fees as at 29 February 2024<sup>4</sup>

Unit Price: \$4.0437

	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)	-0.29%	6.84%	7.82%	4.55%	9.65%	10.55%
After Tax 10.50%	-0.33%	6.78%	7.43%	4.19%	9.35%	10.14%
After Tax 17.50%	-0.35%	6.75%	7.18%	3.95%	9.16%	9.92%
After Tax 28.00%	-0.39%	6.69%	6.80%	3.59%	8.86%	9.54%
Benchmark	-0.11%	6.65%	5.17%	4.30%	7.07%	5.84%

## Top Security Holdings

Holdings	% of Fund
Fisher & Paykel	6.03%
Infratil	6.03%
BHP	5.58%
CSL	4.75%
Auckland Airport	4.49%
Spark	3.80%
Contact Energy	3.69%
NAB	2.87%
Xero	2.57%
Meridian	2.46%

## Current Asset Allocation

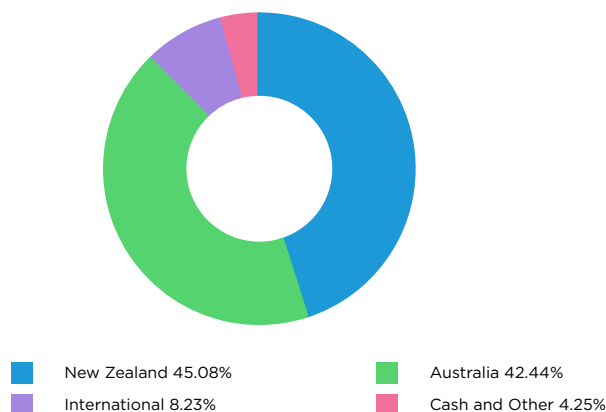
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	3.62%	5%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	44.95%	47.5%
Australian Equities	49.66%	47.5%
International Equities	1.14%	0.0%
Other	0.63%	0.0%

# The actual cash held by the Fund is 4.85%. 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	17.72%
Industrials	16.20%
Financials	12.23%
Materials	9.96%
Communication Services	8.57%
Utilities	7.16%
Information Technology	6.35%
Energy	4.90%
Other Sectors	12.66%
Cash and Other	4.25%

## 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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