

# Trans-Tasman Equity Fund

## Portfolio Investment Entity

### Monthly Fact Sheet as at 31 January 2023



## Portfolio Managers



**Sam Trethewey**  
Portfolio Manager



**Wayne Gentle**  
Co-Portfolio Manager

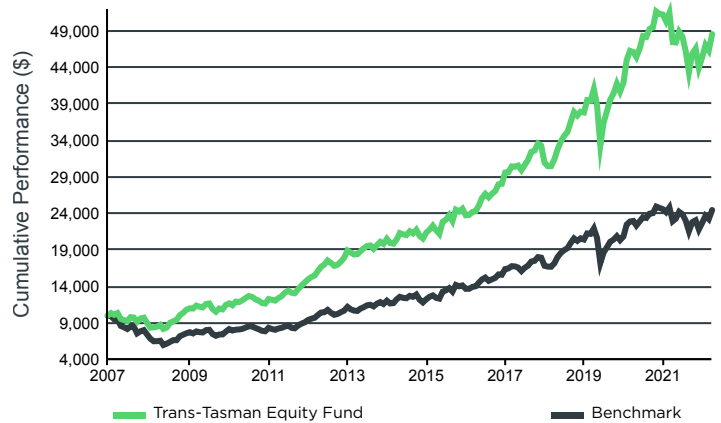
The Fund had another strong month in January returning 4.8%, compared to a 4.3% increase in the NZX 50 index and a 6.2% increase in the ASX 200. Our local share markets followed a 'risk on' rally in global share markets as China's reopening from its zero-Covid policy combined with stabilising inflation data locally and abroad to lift investor confidence. The rally was particularly apparent in the Australian resource sector where many stocks bounced over 10%.

Fund performance was led by Lynas Rare Earths (+19.6%), Gentrack (+13.8%), and Fisher & Paykel Healthcare (+11.8%). Lynas Rare Earths is an Australian based miner of materials used in the production of electric vehicles and other renewable energy applications. The company is benefitting from the tailwinds of renewables and supply chain shifts, further supported by China's reopening. Gentrack, a developer of utility billing software, continued to be well sought after post reporting a strong result in November and upgrading medium-term targets. Fisher & Paykel Healthcare surprised the market with a trading update that indicated its sales had benefitted from China's Covid wave and a strong US flu season. While the positive surprise was largely driven by one-off factors, it did remove market concerns about excess inventory. Over the month, the Fund took profit across several winners including CSL, Woodside Energy and Fisher & Paykel Healthcare while adding to Spark NZ.

Looking ahead, the Fund has retained its relatively defensive positioning vs history. While January was a strong month for local markets, we still believe it is a patience game for investors as the interest rate cycle and earnings cycle play out. We are yet to receive confirmation that central banks have finished lifting interest rates and earnings have been reset for lower demand and higher costs. At this stage, we believe the market is anticipating this to occur over the course of this year. The February reporting season will be the next step in this process. The Fund is positioned away from companies where we see a high degree of sensitivity to interest rates or with high earnings risk. We still expect some companies to do well regardless for stock specific reasons and will look to take advantage of share price weakness in companies with strong medium-term prospects as it may present itself in the coming months.

To view Milford's February 2023 Market and Economic Review please see [milfordasset.com/investor-centre](http://milfordasset.com/investor-centre).

## 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
<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>	\$682.0 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%
<b>Risk Indicator</b>	<div style="display: flex; justify-content: space-between; align-items: center;"> <span>Lower risk</span> <span>Higher risk</span> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> <span>1</span> <span>2</span> <span>3</span> <span>4</span> <span style="background-color: #28a745; border-radius: 50%; padding: 2px 5px;">5</span> <span>6</span> <span>7</span> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <span>Potentially lower returns</span> <span>Potentially higher returns</span> </div>

## 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 January 2023

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

Unit Price: \$3.8296

	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)	4.81%	6.99%	2.33%	5.78%	9.82%	10.85%
After Tax 10.50%	4.81%	6.75%	1.88%	5.55%	9.52%	10.44%
After Tax 17.50%	4.81%	6.59%	1.59%	5.40%	9.32%	10.21%
After Tax 28.00%	4.82%	6.34%	1.14%	5.16%	9.02%	9.84%
Benchmark	5.36%	7.68%	6.70%	3.71%	7.89%	6.01%

### Top Security Holdings

Holdings	% of Fund
CSL	5.79%
Fisher & Paykel	5.51%
BHP	5.26%
Spark	4.59%
Infratil	4.33%
CBA	4.16%
NAB	3.35%
EBOS Group	3.32%
Contact Energy	3.30%
Origin Energy	3.17%

### Current Asset Allocation

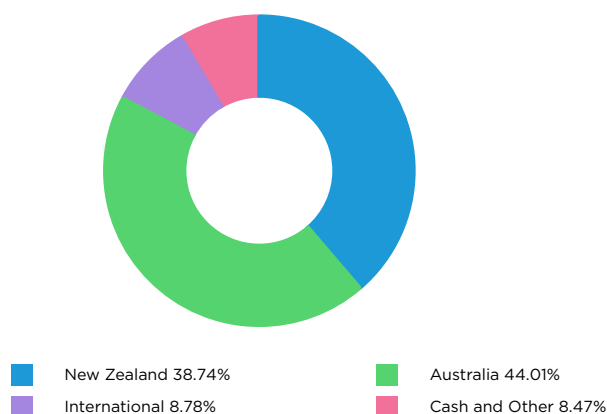
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	8.47%	5%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	41.88%	47.5%
Australian Equities	49.65%	47.5%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

# The actual cash held by the Fund is 8.84%. 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	18.03%
Utilities	13.39%
Financials	12.89%
Materials	9.80%
Industrials	9.62%
Communication Services	9.46%
Consumer Staples	5.91%
Information Technology	4.06%
Other Sectors	8.37%
Cash and Other	8.47%

### 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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