

Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 July 2022



Portfolio Managers



Sam Trethewey
Portfolio Manager



Wayne Gentle
Co-Portfolio Manager

The Fund rallied 5.9% in July. This compares to a 5.7% increase in the NZX 50 and an 5.7% increase in the ASX 200 as local share markets followed a rally in global equity markets.

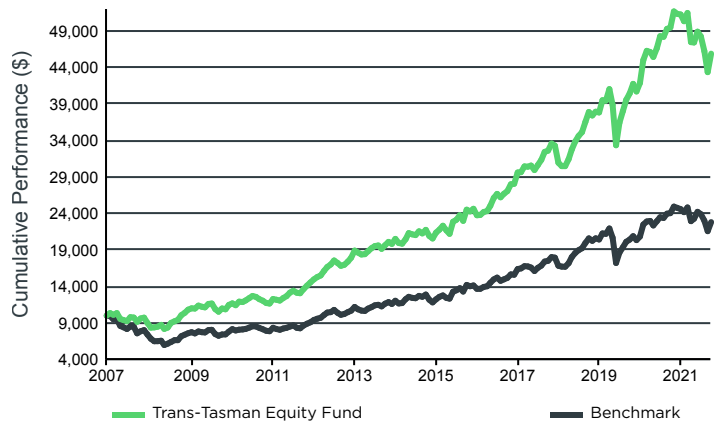
Performance was led by infrastructure investor Infratil (+9.1%) and biotech company Neuren (+48.4%). Infratil portfolio company Vodafone NZ announced the sale of its mobile tower business at a premium valuation. The transaction highlights the continued strong demand for quality infrastructure assets which is supportive of Infratil's share price. Neuren announced the submission of an application for their key drug Trofinetide to the US regulator which appears likely to be the first approved treatment for Rett Syndrome. Over the month we added to our holdings in Auckland Airport and ResMed and reduced CSL into strength.

Looking ahead, the short term is likely to remain volatile. We expect the NZ economy to soften in coming months as the RBNZ continues to lift interest rates and inflation pressures become increasingly evident. Australia is facing a similar economic backdrop but with the assistance of elevated commodity prices and relatively more supportive monetary policy. With valuations across the local markets now reflecting materially higher interest rates, investor focus is shifting to earnings and August will see many of our companies report earnings for the past six months. Given this backdrop and our recent channel checks, we expect reported earnings to be robust however outlooks are likely to be cautious. Companies that can provide investors with earnings certainty in their outlook are likely to be rewarded. We have positioned the Fund defensively and away from areas of earnings uncertainty or stretched valuation. 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 August 2022 Market and Economic Review please see 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

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)	\$723.9 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 Benchmark ¹ , subject to the high watermark.
Total Fund Fees³	1.05%

	Lower risk							Higher risk
Risk Indicator	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 July 2022

Investment Performance after fees as at 31 July 2022⁴

Unit Price: \$3.6397

	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)	5.85%	-4.89%	-7.25%	6.58%	11.14%	10.82%
After Tax 10.50%	5.84%	-4.88%	-7.39%	6.41%	10.89%	10.42%
After Tax 17.50%	5.83%	-4.88%	-7.49%	6.30%	10.72%	10.20%
After Tax 28.00%	5.82%	-4.88%	-7.64%	6.13%	10.46%	9.84%
Benchmark	5.78%	-4.55%	-5.10%	3.48%	8.50%	5.72%

Top Security Holdings

Holdings	% of Fund
CSL	5.41%
CBA	5.17%
Infratil	4.87%
Fisher & Paykel	4.59%
NAB	4.27%
BHP	4.06%
Contact Energy	3.76%
EBOS Group	3.72%
Auckland Airport	3.62%
Mainfreight	3.39%

Current Asset Allocation

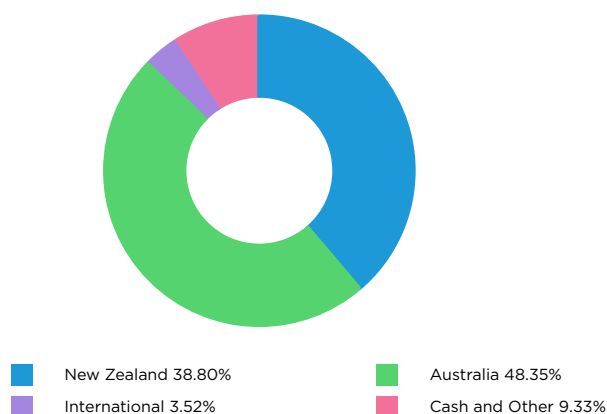
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	9.33%	5.0%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	42.85%	47.5%
Australian Equities	47.82%	47.5%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

The actual cash held by the Fund is 10.03%. 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	17.76%
Financials	13.24%
Utilities	11.05%
Industrials	10.32%
Materials	10.29%
Communication Services	7.93%
Consumer Staples	6.35%
Energy	3.94%
Other Sectors	9.79%
Cash and Other	9.33%

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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