

# Trans-Tasman Equity Fund

Portfolio Investment Entity

## Monthly Fact Sheet as at 30 June 2021



### Portfolio Managers



**Sam Trethewey**  
Portfolio Manager



**Wayne Gentle**  
Co-Portfolio Manager

The Fund gained 2.3% in June, bringing the one-year return to 24.5%. The Fund's June performance compares to a return of 2.8% for the NZX 50 index and 2.3% for the ASX 200.

Highlights for the month included Fisher & Paykel Healthcare (+5.5%), IDP Education (+9.1%) and Summerset (+7.3%). Fisher & Paykel rallied following a competitor product recall and concerns over rising global cases of the COVID-19 Delta variant. We maintain conviction in the medium-term growth outlook for Fisher & Paykel with the installed base of its hospital respiratory equipment increasing significantly over the past year. IDP Education is a provider of international student testing and placement that is benefitting from the recovery in international student activity. Summerset continued to re-rate on strength in the New Zealand housing market and an attractive growth profile compared to other listed retirement village operators.

During the month we participated in a \$250m capital raise by Precinct Properties to fund the acquisition of two Wellington office towers. We also increased our holding in Westpac. The bank trades at an attractive valuation and we expect their cost-out program to deliver earnings growth over the coming years. Elsewhere we trimmed our position in Auckland Airport and took advantage of weakness to add to our holding in Mercury Energy.

Looking ahead, the Fund remains orientated towards cyclical stocks as the economic recovery from COVID-19 continues to surprise to the upside. Company visits conducted across NZ and Australia during the month demonstrated inflationary pressures are rising in the local economy and will likely remain until borders reopen. We will be monitoring our companies' ability to pass on cost pressure in the upcoming August reporting season. At this stage we are comfortable that our companies are in a strong position, managing to achieve price gains to offset cost pressure and maintain margins. Irrespective of short-term market performance, long-term returns will be influenced by our stock selection. That is our ability to position the Fund in companies that can sustain earnings growth at above average rates (like Mainfreight, Xero and Fisher & Paykel Healthcare) and avoid those where we see stretched balance sheets, earnings or valuation risk.

To view Milford's July 2021 Market and Economic Review please see [milfordasset.com/fact-sheet](http://milfordasset.com/fact-sheet).

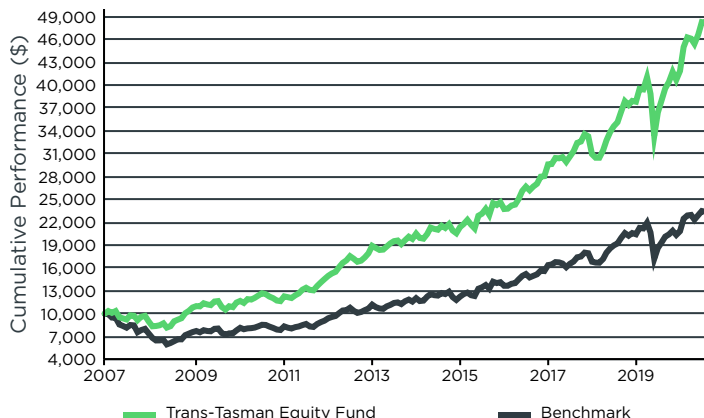
### External Ratings



Milford Trans-Tasman Equity Fund received a Morningstar Analyst Rating™ of 'Silver' on 13-03-2019

### 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>** Capital growth by out-performing a mix of two relevant share market indices over a minimum of eight years

**Description** Primarily invests in Australasian equities

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

**Neutral FX Exposure** 0%

**Net Asset Value (NAV)** \$900.4 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%



# Trans-Tasman Equity Fund as at 30 June 2021

## Investment Performance after fees as at 30 June 2021<sup>4</sup>

Unit Price: \$3.9502

	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)	2.25%	5.70%	24.54%	14.96%	16.48%	12.30%
After Tax 10.50%	2.28%	5.62%	24.42%	14.68%	16.17%	11.88%
After Tax 17.50%	2.30%	5.56%	24.34%	14.49%	15.97%	11.66%
After Tax 28.00%	2.33%	5.47%	24.22%	14.20%	15.66%	11.29%
Benchmark	2.51%	4.51%	19.13%	11.24%	12.50%	6.56%

## Top Security Holdings

Holdings	% of Fund
Fisher & Paykel	6.86%
Xero	4.60%
Mainfreight	4.54%
CSL	3.65%
Infratil	3.58%
Westpac	3.56%
NAB	3.15%
Summerset	2.88%
Contact Energy	2.81%
BHP	2.67%

## Current Asset Allocation

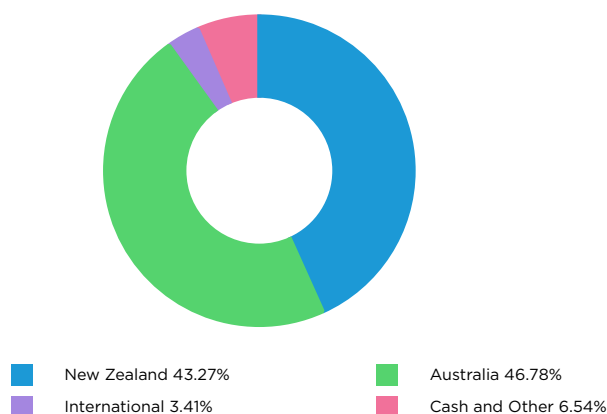
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	6.43%	5.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	40.65%	47.50%
Australian Equities	52.81%	47.50%
International Equities	0.00%	0%
Other	0.11%	0%

# The actual cash held by the Fund is 8.03%. 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	18.19%
Financials	16.44%
Materials	12.87%
Industrials	10.85%
Utilities	9.98%
Consumer Discretionary	7.92%
Information Technology	6.35%
Communication Services	3.43%
Consumer Staples	2.90%
Real Estate	2.75%
Energy	1.78%
Cash and Other	6.54%

## 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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