

# Trans-Tasman Equity Fund

## Portfolio Investment Entity

### Monthly Fact Sheet as at 30 June 2023



## Portfolio Managers



**Sam Trethewey**  
Portfolio Manager



**Wayne Gentle**  
Co-Portfolio Manager

The Fund kept pace with the local share market in June, returning 1.5%. The NZX 50 index increased 0.9% while the ASX 200 index rallied 1.8%, as the resource sector led the market higher on anticipation of economic stimulus from China.

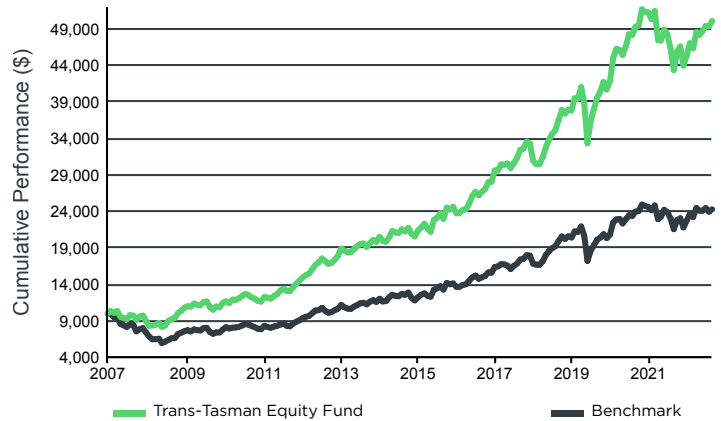
Fund performance was led by Collins Foods (+17.0%), Vista Group (+30.1%) and Xero (+8.2%). Collins Foods, a fast service restaurant operator, reported a satisfactory result but importantly indicated recent input cost pressures were stabilising. The share price of cinema software provider Vista had been depressed in recent months due to concerns regarding the return of the box office, but with visitation starting to rebound and new studio releases, optimism has returned. In addition, the business is undergoing a cloud transition of its products which could deliver significant upside to customers and investors. Xero continues its strong run post new CEO hire and is shifting its strategy to focus on more disciplined growth. Elsewhere, the Fund participated in a \$850m capital raising from Infratil to assist its purchase of Brookfield's 50% stake in One NZ (formerly Vodafone NZ). We also trimmed our Auckland Airport holding as a healthy debate occurs between the airlines and regulators over the airport's next ten-year capex plans and pricing.

Looking ahead, we continue to weigh up possible economic outcomes for the local economies. During the month we were not surprised to learn that New Zealand had entered a technical recession in the second quarter, being defined as two consecutive quarters of negative GDP growth. The share prices of cyclical stocks, like Fletcher Building, had been reflecting a grim outlook for some time. The strong return of migration and the RBNZ's near complete interest rate hiking cycle provide a pathway to a "soft landing" for the economy. However, we do not expect the months ahead to be a smooth recovery. The upcoming election may see a pause in some activity. Therefore, this may not be the end of share market volatility, but the outlook has clearly improved. By contrast, Australia is still facing interest rate hikes but is benefitting from strong global commodity prices. Regardless of the economic backdrop, we are still finding attractive investment opportunities for the Fund and expect some companies to do well for stock-specific reasons.

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

## 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

**Minimum recommended investment timeframe** 8 years +

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

**Neutral FX Exposure** 0%

**Net Asset Value (NAV)** \$659.6 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



Milford Trans-Tasman Equity Fund received a Morningstar Analyst Rating™ of 'Silver' on 19-05-2021

# Trans-Tasman Equity Fund as at 30 June 2023

## Investment Performance after fees as at 30 June 2023<sup>4</sup>

Unit Price: \$3.9278

	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)	1.53%	2.86%	15.59%	8.20%	9.09%	10.77%
After Tax 10.50%	1.53%	2.83%	14.96%	7.88%	8.76%	10.36%
After Tax 17.50%	1.53%	2.81%	14.53%	7.67%	8.54%	10.13%
After Tax 28.00%	1.53%	2.78%	13.91%	7.35%	8.21%	9.76%
Benchmark	1.38%	0.82%	12.64%	6.49%	6.89%	5.80%

## Top Security Holdings

Holdings	% of Fund
Infratil	6.00%
BHP	5.49%
Fisher & Paykel	5.35%
CSL	4.63%
Spark	4.38%
CBA	3.46%
Xero	3.39%
Auckland Airport	3.26%
Contact Energy	3.25%
Mainfreight	2.99%

## Current Asset Allocation

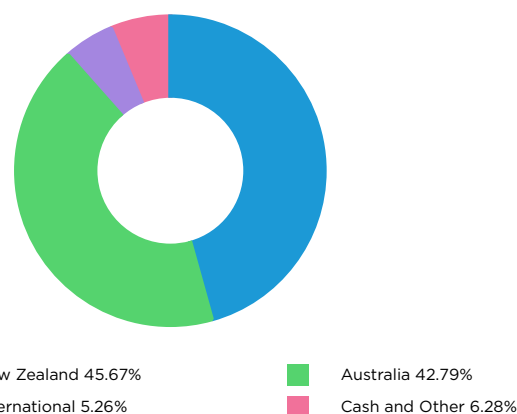
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	6.28%	5%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	45.31%	47.5%
Australian Equities	48.41%	47.5%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

# The actual cash held by the Fund is 6.28%. 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	16.90%
Industrials	13.49%
Utilities	13.23%
Financials	10.78%
Materials	10.43%
Communication Services	9.05%
Information Technology	6.81%
Real Estate	4.20%
Other Sectors	8.83%
Cash and Other	6.28%

## 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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