Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 March 2022



Portfolio Managers



Sam Trethewey Portfolio Manager



Wayne Gentle Co-Portfolio Manager

The Fund rallied 3.1% in March. Market performance continues to be driven by risk sentiment towards the Ukraine/Russia situation and monetary policy. This led to a very strong month for the ASX, as investors sought exposure to its resource and financial stocks, while the NZX was more subdued.

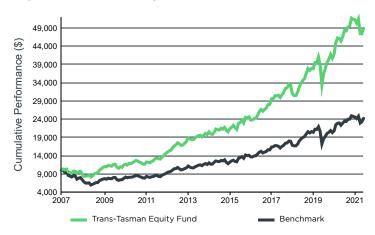
Performance for the Fund was led by lithium miner IGO (+29.4%) and EBOS (+7.8%), while Fisher & Paykel Healthcare (-11.5%) was the main source of weakness. The rally in IGO is reflective of the broader demand that occurred during the month for resource stocks from investors given the Ukraine war and inflation pressures. EBOS continues to be highly sought-after by the market given its defensive earnings stream. Fisher & Paykel Healthcare released a softer than expected trading update following a sharp slowdown in demand. Over the past 2 years the company has sold several years' worth of devices, and it will take time to transition Covid related demand to other respiratory use cases. Over the month we continued to reduce risk in cyclical exposures such as NZ retirement village operator Summerset Group and added to defensive positions such as Mercury Energy and supermarket operator Metcash. Cash overall rose to finish the month at 9.6%.

Looking ahead, we expect the shifting monetary policy to continue to create volatility in equity markets. We have positioned the Fund heavily towards the ASX as we expect the next few months will be a big test of the NZ economy given a cooling housing market and inflation pressures. We expect this to create opportunities for active management. Share prices are likely to overreact to both the upside and downside creating good opportunities. Our strategy is to remain active and position the Fund in companies that can sustain earnings growth at above average rates (like Mainfreight and Xero) and avoid those where we see stretched valuation, balance sheets, earnings or valuation risk. Irrespective of short-term market performance, long-term returns will be influenced by our stock selection.

To view Milford's April 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

Objective 1

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

Description Primarily	Tilvests III Australasian equities	
Minimum recommended investment timeframe	8 years +	
Target Allocation	5% Income Assets / 95% Growth Assets	
Neutral FX Exposure	0%	
Net Asset Value (NAV)	\$811.5 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 ²	1.05%	
Performance Fee	15% of the Fund's returns above the Benchmark ¹ , subject to the high watermark.	
Total Fund Fees ³	1.05%	
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Potentially lower returns

External Ratings



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

Potentially higher returns



Unit Price: \$3.8819

Trans-Tasman Equity Fund as at 31 March 2022

Investment Performance after fees as at 31 March 2022⁴

	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)	3.13%	-4.97%	4.90%	13.03%	13.36%	11.57%
After Tax 10.50%	3.08%	-5.04%	4.53%	12.84%	13.08%	11.15%
After Tax 17.50%	3.05%	-5.08%	4.28%	12.71%	12.89%	10.93%
After Tax 28.00%	3.00%	-5.15%	3.91%	12.52%	12.61%	10.56%
Benchmark	4.07%	-2.40%	5.63%	9.23%	10.11%	6.29%

Top Security Holdings

Holdings	% of Fund
ВНР	5.62%
Fisher & Paykel	5.48%
CBA	4.70%
CSL	4.45%
Infratil	4.35%
Mainfreight	3.50%
Contact Energy	3.44%
EBOS Group	3.40%
NAB	3.33%
Auckland Airport	2.70%

Sector Allocation

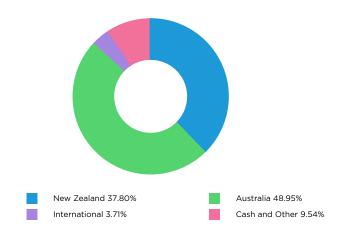
Allocation	Weight %
Health Care	16.15%
Financials	14.61%
Materials	12.14%
Industrials	11.85%
Utilities	11.38%
Communication Services	6.27%
Consumer Discretionary	6.04%
Consumer Staples	4.86%
Other Sectors	7.16%
Cash and Other	9.54%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash#	9.54%	5.0%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	41.25%	47.5%
Australian Equities	49.21%	47.5%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

The actual cash held by the Fund is 9.53%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

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.