

Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 March 2023



Portfolio Managers



Sam Trethewey
Portfolio Manager



Wayne Gentle
Co-Portfolio Manager

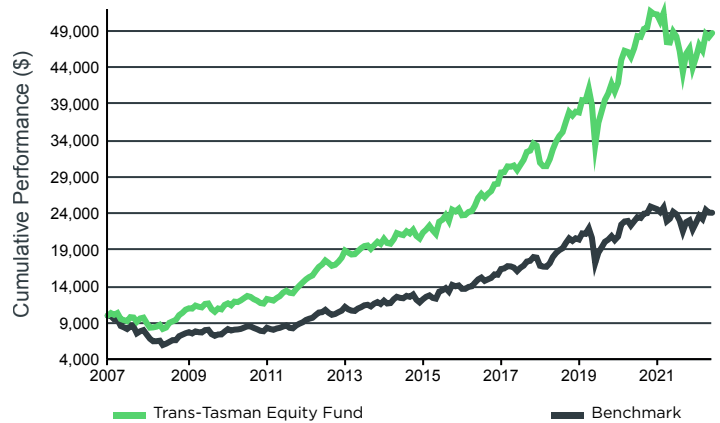
The Fund rallied 1.2% in March compared to an increase of 0.2% for the NZX 50 index and a 0.2% decrease for the ASX 200. Volatility in offshore markets, driven by the US banking sector turmoil, was subdued locally. The NZX has very limited banking exposure, while the sector represents approximately 20% of the ASX index. However, the Australian banks generally hold a far more diversified deposit base and have more stringent capital controls than those with issues in the US.

Fund performance was led by biotech company Neuren Pharmaceuticals which surged a gigantic 84.2%, while Xero (+15.1%) and Pushpay (+9.4%) also rallied. Neuren had its key drug Trofinetide, a treatment for Rett syndrome in early childhood, approved by the US regulator. Xero announced a significant cost reduction programme which was well received by investors. The programme will see Xero streamline and realign the organisation to drive greater operating leverage, while continuing to take advantage of the large growth opportunity in cloud accounting software. Xero still has a long growth runway and should be able to generate strong profit margins in the longer term. During the month we reduced Pushpay following a revised takeover bid by the offeror. We voted against the initial offer and, while the revised bid is still not compelling, we see better opportunities elsewhere. Over the month we added to holdings in miner Rio Tinto and healthcare company CSL to the Fund, which offers solid defensive growth prospects.

Looking ahead, the Fund remains defensive compared to history. We continue to be patient and wait for the current interest rate cycle and earnings cycle to play out. While it may be getting closer, we are yet to receive confirmation that central banks have finished lifting interest rates, and earnings expectations are continuing to reset for lower demand and higher costs. At this stage, we believe the market is anticipating both the interest rate and earnings cycles to trough later this year. The Fund is positioned away from companies where we see a high degree of sensitivity to interest rates or with high earnings risk. As the Fund has demonstrated this month, some companies will do well regardless of broader economic conditions for idiosyncratic reasons. We will look to take advantage of share price weakness in companies with strong medium-term prospects as opportunities present themselves in coming months.

To view Milford's March 2023 Market and Economic Review please see 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

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)	\$668.8 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%
Risk Indicator	<div style="display: flex; justify-content: space-between; align-items: center;"> Lower risk Higher risk </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> Potentially lower returns Potentially higher returns </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 March 2023

Investment Performance after fees as at 31 March 2023⁴

Unit Price: \$3.8209

	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)	1.17%	5.12%	-0.38%	13.49%	10.23%	10.75%
After Tax 10.50%	1.05%	4.98%	-0.86%	13.20%	9.91%	10.34%
After Tax 17.50%	0.98%	4.89%	-1.19%	13.02%	9.70%	10.11%
After Tax 28.00%	0.86%	4.75%	-1.67%	12.73%	9.39%	9.73%
Benchmark	-0.07%	3.72%	-0.53%	11.87%	8.38%	5.84%

Top Security Holdings

Holdings	% of Fund
Fisher & Paykel	5.99%
CSL	5.66%
BHP	5.60%
Spark	4.62%
Infratil	4.29%
CBA	3.88%
Auckland Airport	3.60%
Contact Energy	3.32%
Mainfreight	3.29%
EBOS Group	3.19%

Current Asset Allocation

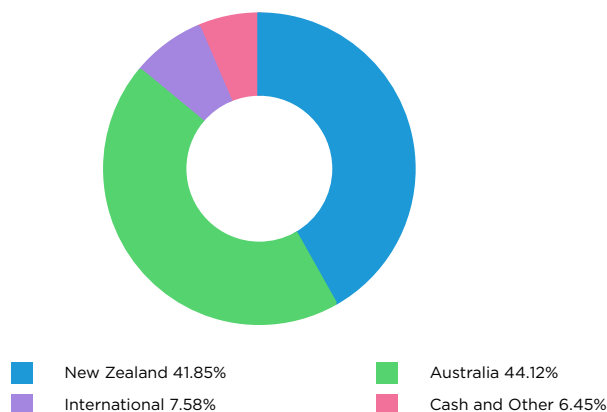
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	5.08%	5%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	43.29%	47.5%
Australian Equities	50.26%	47.5%
International Equities	0.00%	0.0%
Other	1.37%	0.0%

The actual cash held by the Fund is 6.60%. 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	18.52%
Financials	12.21%
Industrials	11.48%
Materials	11.45%
Utilities	11.37%
Communication Services	9.07%
Consumer Staples	5.72%
Information Technology	4.32%
Other Sectors	9.41%
Cash and Other	6.45%

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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