

Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 October 2022



Portfolio Managers



Sam Trethewey
Portfolio Manager



Wayne Gentle
Co-Portfolio Manager

The Fund rallied 3.2% in October compared to a 2.5% increase in the NZX 50 index and a 6.0% in the ASX 200. The NZX performance was in sharp contrast to major global equity markets which moved significantly higher. The S&P 500 rallied 8.1%. This divergence in performance was primarily due to global markets anticipating a potential slowdown in interest rate hikes by central banks, while locally a very strong inflation print reinforced the need for further tightening of financial conditions in New Zealand and forward expectations for the RBNZ's official cash rate increased.

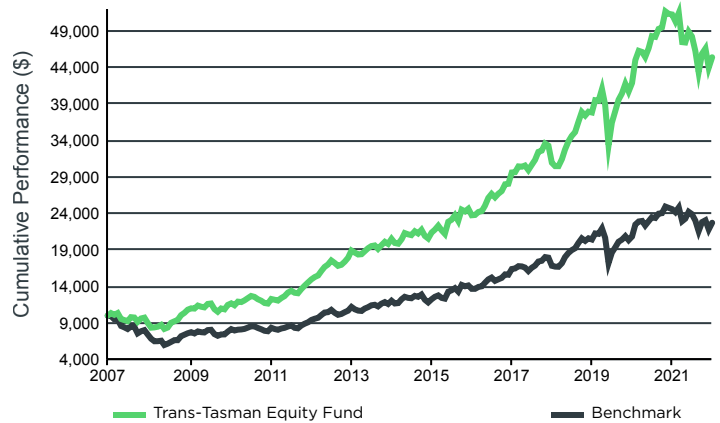
Performance was led this month by HUB24 (+21.5%), Mainfreight (+12.8%) and energy companies Santos (+8.6%) and Woodside (+13.6%). HUB24, an investment platform for financial advisers, surprised the market with a strong quarterly update that demonstrated market share gains. Mainfreight provided a trading update at an investor day which demonstrated resilience to falling global freight rates and calmed market concerns. Over the medium term we expect Mainfreight to continue to deliver strong earnings growth via its impressive runway of network expansion and strong culture. Santos and Woodside benefitted from higher energy prices. More broadly, energy companies are a key exposure in the Fund at present due to their high cashflow yields and the positive outlook for energy prices on a multi-year view. Over the month, the Fund reduced interest rate sensitive names including Spark and Auckland Airport while adding to EBOS Group and Woolworths on share price weakness.

Looking ahead, uncertainty is elevated in the short term. Economies and company earnings have generally been robust so far in 2022 but are beginning to slow. We are beginning to see cracks appear across company engagements and updates. This is due to high inflation and interest rates hurting the financial position of both households and businesses. The Fund is positioned defensively with cash levels elevated. We intend to remain cautious until earnings pressure subsides, and interest rates are closer to being cut. We hold limited exposure to companies with a high degree of sensitivity to interest rates or uncertain earnings, and we are invested in holdings that we believe have strong valuation support or a high degree of confidence in earnings.

To view Milford's November 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)	\$709.1 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	<p>Lower risk Higher risk</p> <p>1 2 3 4 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p>

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 October 2022

Investment Performance after fees as at 31 October 2022⁴

Unit Price: \$3.5811

	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)	3.24%	-1.07%	-11.43%	6.26%	8.92%	10.55%
After Tax 10.50%	3.20%	-1.21%	-11.63%	6.03%	8.66%	10.14%
After Tax 17.50%	3.17%	-1.31%	-11.76%	5.88%	8.49%	9.93%
After Tax 28.00%	3.13%	-1.45%	-11.96%	5.65%	8.23%	9.57%
Benchmark	4.19%	-0.37%	-7.56%	3.62%	6.76%	5.59%

Top Security Holdings

Holdings	% of Fund
CSL	6.41%
BHP	4.73%
EBOS Group	4.27%
Infratil	4.05%
Fisher & Paykel	4.03%
Contact Energy	3.78%
Spark	3.73%
CBA	3.72%
Mainfreight	3.65%
Auckland Airport	3.26%

Current Asset Allocation

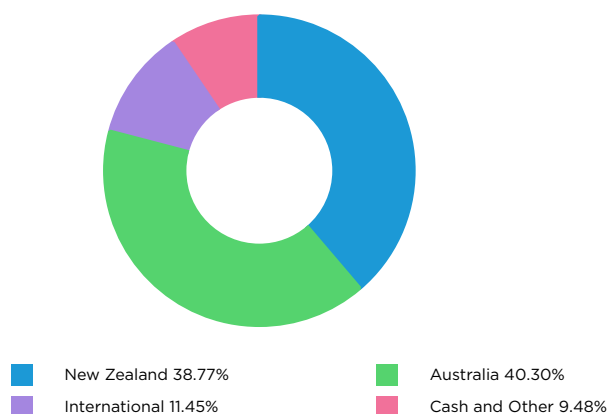
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	9.13%	5%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	42.15%	47.5%
Australian Equities	48.37%	47.5%
International Equities	0.00%	0.0%
Other	0.35%	0.0%

The actual cash held by the Fund is 9.79%. 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	19.17%
Materials	10.66%
Utilities	10.45%
Financials	10.36%
Industrials	9.10%
Communication Services	8.96%
Information Technology	5.67%
Consumer Staples	5.36%
Other Sectors	10.79%
Cash and Other	9.48%

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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