

Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 October 2023



Portfolio Managers



Sam Trethewey
Portfolio Manager



Wayne Gentle
Co-Portfolio Manager

The Fund fell 4.1% in October as global interest rates continued to adjust higher, impacting share valuations. The Fund return compares to a 4.8% decline in the NZX 50 index and a 3.8% fall in the ASX 200.

Fund performance was led by Sky TV (+16.1%). Sky TV indicated to the market it had received a non-binding indicative takeover offer from a credible party and had commenced engagement with them. Sky TV has been a small holding in the Fund for the past two years. Our initial thesis was based on reducing competition for content, improving pricing power and consequently a stabilisation of profitability after many years of decline. Since the indicative offer, we have engaged with the Sky TV Board to express our view of where value lies. A key detractor was lithium miner IGO (-24.9%). After weakness in the commodity price and reduced demand from a key offtake partner impacted market confidence in the outlook, we added to the position on this weakness. Elsewhere in the Fund, we increased our holding in Contact Energy and gold miner Newcrest Mining while we reduced exposure to the Australian banks.

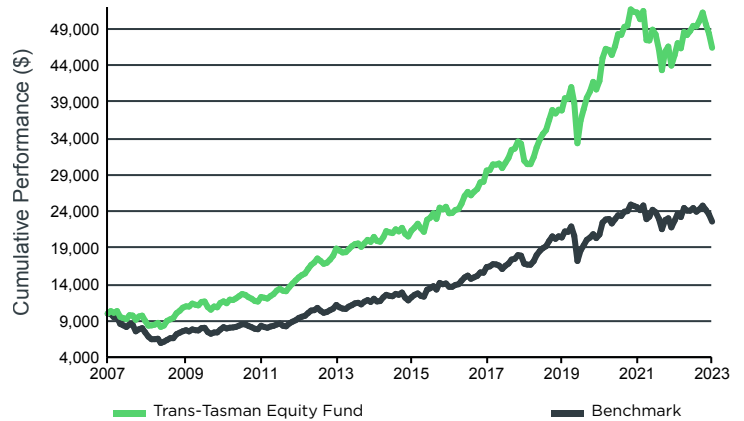
Looking ahead, we expect the Australian share market to continue to benefit from a relatively robust economy and elevated commodity prices. However, locally the earnings outlook for cyclical NZ companies is likely to remain challenged in coming months as economic growth slows and cost inflation remains an issue. The change of government is likely to be supportive of confidence within the economy, but the impact of any policy change will take time to flow through. Regardless of the backdrop, we continue to find attractive investment opportunities and, as such, the Fund remains well invested. We believe some companies will continue to perform strongly for stock-specific reasons.

To view Milford's October 2023 Market and Economic Review please see milfordasset.com/insights.

For previous fund reports see milfordasset.com/fund-reports.

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)	\$614.4 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 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%



External Ratings



The Milford Trans-Tasman Equity Fund has a Morningstar Medalist Rating™ of 'Silver' as of 19-09-2023

Trans-Tasman Equity Fund as at 31 October 2023

Investment Performance after fees as at 31 October 2023⁴

Unit Price: \$3.6173

	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)	-4.06%	-9.43%	2.24%	3.50%	8.45%	10.01%
After Tax 10.50%	-4.05%	-9.54%	1.71%	3.17%	8.12%	9.60%
After Tax 17.50%	-4.04%	-9.61%	1.36%	2.95%	7.90%	9.38%
After Tax 28.00%	-4.03%	-9.72%	0.83%	2.62%	7.57%	9.00%
Benchmark	-4.24%	-8.84%	-0.54%	2.76%	6.08%	5.20%

Top Security Holdings

Holdings	% of Fund
CSL	5.67%
Infratil	5.46%
Fisher & Paykel	4.68%
BHP	4.65%
Auckland Airport	4.51%
Spark	4.43%
Xero	3.53%
Contact Energy	3.39%
CBA	2.91%
Summerset	2.44%

Current Asset Allocation

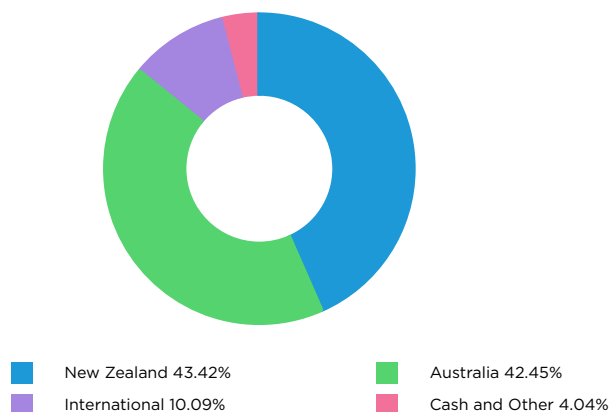
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	4.03%	5%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	42.47%	47.5%
Australian Equities	53.49%	47.5%
International Equities	0.00%	0.0%
Other	0.01%	0.0%

The actual cash held by the Fund is 5.17%. 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	19.12%
Industrials	18.70%
Materials	11.89%
Financials	10.85%
Communication Services	8.71%
Utilities	7.49%
Information Technology	5.94%
Consumer Discretionary	4.03%
Other Sectors	9.23%
Cash and Other	4.04%

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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