

# Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 September 2021



## Portfolio Managers



**Sam Trethewey**  
Portfolio Manager



**Wayne Gentile**  
Co-Portfolio Manager

The Fund fell -0.7% in September, however the one-year return remains very healthy at 26.1%. The Fund's September performance compares to a return of 0.4% for the NZX 50 index and -1.8% for the ASX 200. The NZX continued to be well supported after a strong August earnings season while the ASX declined largely due to its exposure to China and their reduced property investment.

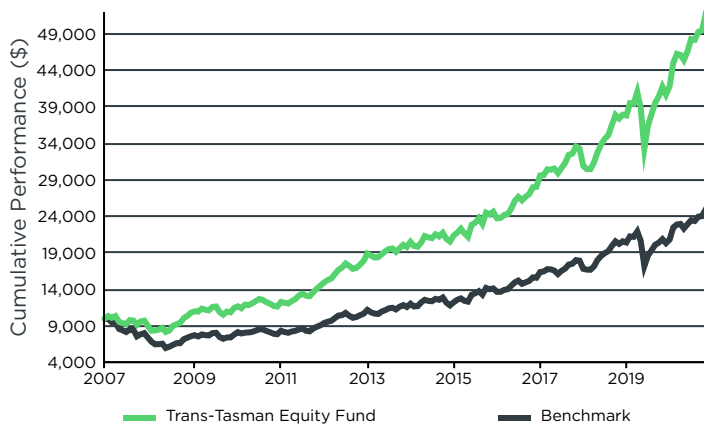
Standout performers in September included cinema software developer Vista (+12.0%), oil and gas exposure Santos (+18.5%) and infrastructure investor Infratil (+6.5%). Vista Group continues to benefit from the re-opening of cinemas, with Disney announcing that all of their remaining films this year will open exclusively in cinemas. Santos benefitted from a rapid rally in energy prices as shortages appeared across several international markets. Infratil announced the establishment of a renewable energy development platform in Asia, building on their existing development platforms in the United States, Europe and New Zealand. Infratil have a long track record in renewable energy and continue to benefit from increasing investor demand for these assets. During the month we took advantage of market weakness to increase our holdings in both Xero and Fletcher Building. Elsewhere we reduced Auckland Airport and ANZ bank into strength.

Looking ahead, we expect the NZ economy to remain robust outside of the obvious pockets of extreme weakness in the tourism and hospitality sectors. The market is expecting the RBNZ to raise the official cash rate slightly in October, however we expect most of the factors causing the economic strength, such as pent-up consumer demand and supply chain tightness, to persist into 2022. Australia is facing a more mixed economic outlook given its China exposure and the RBA is a long way from increasing official cash rates. We have been decreasing the Fund's ASX holdings in response. The Fund is orientated towards stocks as that benefit from this economic strength and have seen their competitive position improve due to the pandemic. Irrespective of short-term market performance, long-term returns will be influenced by our stock selection. That is our ability to position the Fund in companies that can sustain earnings growth at above average rates (like Mainfreight, Xero and Fisher & Paykel Healthcare) and avoid those where we see stretched balance sheets, earnings or valuation risk.

To view Milford's October 2021 Market and Economic Review please see [milfordasset.com/fact-sheet](http://milfordasset.com/fact-sheet).

## Cumulative Fund Performance

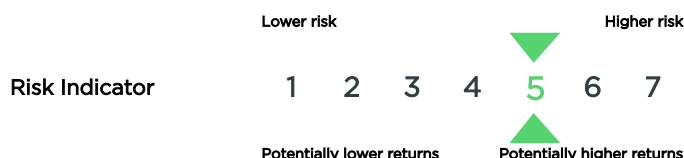
(after fees and before tax)



Assumes the growth of \$10,000 invested at the Fund's inception date, and assumes reinvestment of distribution.

## Key Fund Facts

<b>Objective<sup>1</sup></b>	To provide capital growth by outperforming a mix of two relevant share market indices over the minimum recommended investment timeframe
<b>Description</b>	Primarily invests in Australasian equities
<b>Minimum recommended investment timeframe</b>	8 years
<b>Target Allocation</b>	5% Income Assets / 95% Growth Assets
<b>Neutral FX Exposure</b>	0%
<b>Net Asset Value (NAV)</b>	\$1,000.8 M
<b>Buy-sell Spread</b>	None - swing pricing applies (See PDS for details)
<b>Inception Date</b>	1 October 2007
<b>Current Distribution</b>	1.5 cents per unit (Biannually)
<b>Benchmark</b>	50% x S&P/ASX 200 Total Return Index (100% NZD-hedged) + 50% x S&P/NZX 50 Gross Index
<b>Base Fund Fee<sup>2</sup></b>	1.05%
<b>Performance Fee</b>	15% of the Fund's returns above the Benchmark <sup>1</sup> , subject to the high watermark.
<b>Total Fund Fees<sup>3</sup></b>	1.05%



## 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 September 2021

## Investment Performance after fees as at 30 September 2021<sup>4</sup>

Unit Price: \$4.0976

	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)	-0.65%	4.19%	26.13%	15.53%	15.81%	12.39%
After Tax 10.50%	-0.68%	3.99%	25.72%	15.21%	15.50%	11.97%
After Tax 17.50%	-0.70%	3.86%	25.45%	15.00%	15.29%	11.74%
After Tax 28.00%	-0.73%	3.66%	25.05%	14.68%	14.98%	11.36%
Benchmark	-0.71%	3.31%	21.71%	11.33%	11.86%	6.69%

## Top Security Holdings

Holdings	% of Fund
Fisher & Paykel	7.08%
Mainfreight	5.33%
Xero	4.88%
Infratil	3.44%
Summerset	3.35%
CSL	3.29%
NAB	3.10%
Fletcher Building	2.67%
Contact Energy	2.56%
Westpac	2.41%

## Current Asset Allocation

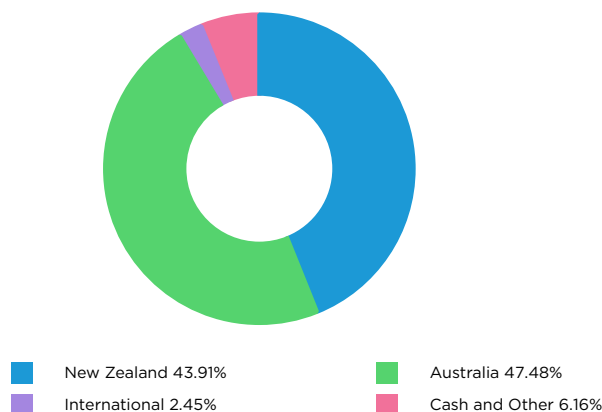
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	5.98%	5.00%
New Zealand Fixed Interest	0.00%	0.00%
International Fixed Interest	0.00%	0.00%
New Zealand Equities	42.03%	47.50%
Australian Equities	51.81%	47.50%
International Equities	0.00%	0.00%
Other	0.18%	0.00%

# The actual cash held by the Fund is 5.67%. 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	18.18%
Financials	14.26%
Industrials	14.18%
Materials	10.11%
Consumer Discretionary	8.91%
Utilities	8.62%
Information Technology	7.12%
Communication Services	4.98%
Consumer Staples	2.79%
Real Estate	2.72%
Energy	1.97%
Cash and Other	6.16%

## 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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