

# Trans-Tasman Equity Fund

## Portfolio Investment Entity

Monthly Fact Sheet as at 30 September 2023



### Portfolio Managers



**Sam Trethewey**  
Portfolio Manager



**Wayne Gentle**  
Co-Portfolio Manager

The Fund fell 2.5% in September as a move higher in US interest rates drove weakness across global equity markets. The Fund return compares to a 1.9% decline in the NZX 50 index and a 2.8% fall in the ASX 200. Over the month, our team spent significant time on the road visiting companies. This included a trip to the US to visit many of our large holdings such as Infratil, Xero, and Fisher & Paykel Healthcare. Company visits are core to our investment process. It was great to meet with local management and gain first-hand perspective of the opportunities and challenges facing them.

Fund performance was led by infrastructure investor Infratil (+1.2%) and oil and natural gas developer Beach Energy (+7.3%). Infratil held an investor tour in Arizona of its renewable energy investment Longroad Energy, a solar and wind farm developer. We came away impressed with the quality of Longroad management and the scale of the renewable development opportunity, which is supported by highly beneficial regulatory settings. Beach Energy was sought after by investors as oil prices pushed higher on supply cuts from key global producers. The key detractor was Xero (-10.1%) as the share price moved to reflect the rise in interest rates, we added to our holding through this weakness. Elsewhere in the Fund, we trimmed holdings in Mainfreight, electricity company Mercury and iron ore miner Rio Tinto.

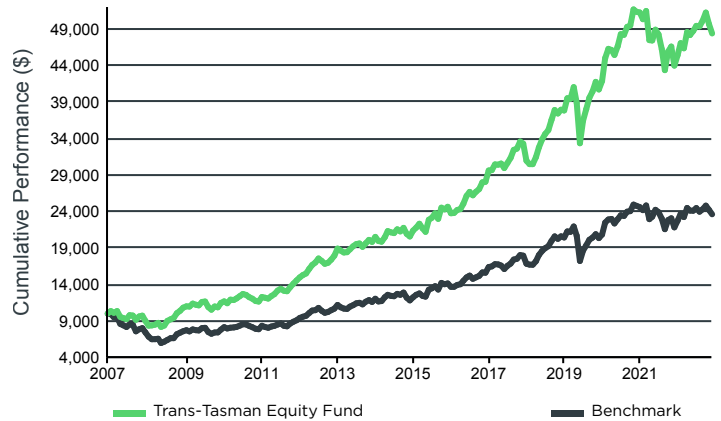
Looking ahead, we expect the Australian share market to continue to benefit from a relatively robust economy and elevated commodity prices while the upcoming NZ general election in October represents a catalyst to lift investor confidence in our local share market. Company earnings will return into view via trading updates during the annual meeting season in November. 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 September 2023 Market and Economic Review please see [milfordasset.com/insights](https://milfordasset.com/insights).

For previous fund reports see [milfordasset.com/fund-reports](https://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

**Objective<sup>1</sup>** 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)** \$638.9 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<sup>2</sup>** 1.05%

**Performance Fee** 15% of the Fund's returns above the Benchmark<sup>1</sup>, subject to the high watermark.

**Total Fund Fees<sup>3</sup>** 1.05%

**Risk Indicator**

Lower risk Higher risk

1 2 3 4 **5** 6 7

Potentially lower returns Potentially higher returns

### 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 30 September 2023

### Investment Performance after fees as at 30 September 2023<sup>4</sup>

Unit Price: \$3.7704

	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)	-2.54%	-3.46%	10.01%	5.93%	7.76%	10.35%
After Tax 10.50%	-2.65%	-3.59%	9.39%	5.56%	7.43%	9.94%
After Tax 17.50%	-2.72%	-3.68%	8.97%	5.31%	7.20%	9.71%
After Tax 28.00%	-2.83%	-3.81%	8.36%	4.94%	6.87%	9.33%
Benchmark	-2.47%	-2.82%	8.21%	5.09%	5.64%	5.51%

### Top Security Holdings

Holdings	% of Fund
CSL	5.69%
Infratil	5.55%
Fisher & Paykel	4.98%
Auckland Airport	4.93%
Spark	4.53%
BHP	4.39%
Xero	3.69%
CBA	3.39%
Contact Energy	2.99%
Telstra	2.69%

### Current Asset Allocation

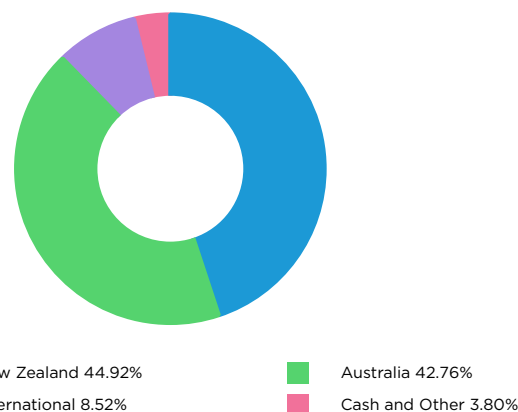
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	3.08%	5%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	43.74%	47.5%
Australian Equities	52.46%	47.5%
International Equities	0.00%	0.0%
Other	0.72%	0.0%

# The actual cash held by the Fund is 5.27%. 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 %
Industrials	19.90%
Health Care	19.50%
Financials	10.44%
Materials	10.41%
Communication Services	9.32%
Utilities	6.91%
Information Technology	6.10%
Real Estate	4.27%
Other Sectors	9.35%
Cash and Other	3.80%

### 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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