

Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 July 2020



Portfolio Managers



Sam Trethewey
Portfolio Manager



Wayne Gentle
Portfolio Manager

The Fund returned 2.2% in the month, with a more subdued performance from the ASX 200 index (+0.5%) offsetting a stronger New Zealand market (NZX 50 index +2.4%).

The spread of COVID-19 in Victoria weighed on the Australian market as investors anticipate the impact on company earnings and balance sheets. Despite this, the Fund had some strong performers from its Australian holdings. In particular, HUB24, a specialist wealth management platform, was a standout following its announcement of solid business growth through the June quarter illustrating the structural drivers of its business remain intact. Elsewhere, Mainfreight was another strong performer following an exceptional trading update at its AGM with net profit before tax nearly 20% ahead of 2019 for the first 4 months of the financial year, despite disruption from lockdowns over the period.

With the August reporting season nearly upon us, the portfolio remains focussed in companies with strong competitive positions and medium-term growth prospects, while avoiding those where we see stretched balance sheets, earnings or valuation risk. While we are more likely to see some optimism from New Zealand companies than their Australian counterparts, the outlook remains highly uncertain and we expect an overall cautious tone to outlook statements. In Australia, we expect the impact of broader lockdown measures will be a focus and well as the anticipation of further equity raises from businesses less prepared for a second wave of disruption.

To view Milford's August 2020 Market and Economic Review please see milfordasset.com/fact-sheet.

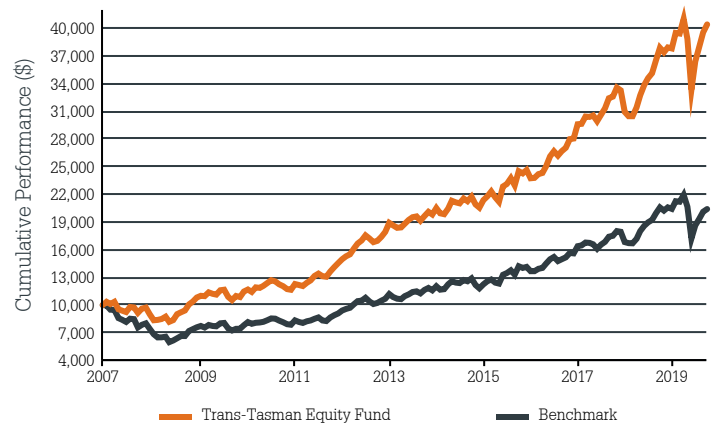
External Ratings



Milford Trans-Tasman Equity Fund received a Morningstar Analyst Rating™ of 'Silver' on 13-03-2019

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	Capital growth by out-performing a mix of two relevant share market indices over a minimum of five years
Description	Primarily invests in Australasian equities
Target Allocation	5% Income Assets / 95% Growth Assets
Neutral FX Exposure	0%
Net Asset Value (NAV)	\$493.5 M
Buy-sell Spread	None
Inception Date	1 October 2007
Current Distribution	1.5 cents per unit (Biannually)
Benchmark	50% x S&P/ASX 200 Accumulation 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; align-items: center; margin-top: 5px;"> Potentially lower returns Potentially higher returns </div>



Investment Performance after fees as at 31 July 2020⁴

Unit Price: \$3.2771

	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)	2.20%	11.03%	6.70%	14.32%	13.19%	11.50%
After Tax 10.50%	2.24%	11.09%	6.61%	14.04%	12.80%	11.07%
After Tax 17.50%	2.27%	11.13%	6.54%	13.84%	12.54%	10.84%
After Tax 28.00%	2.31%	11.20%	6.45%	13.56%	12.15%	10.46%
Benchmark	1.47%	9.56%	-0.83%	10.40%	9.63%	5.72%

Top Security Holdings

Holdings	% of Fund's NAV
Fisher & Paykel Healthcare	9.64%
a2 Milk Company	8.16%
CSL	4.78%
Mainfreight	3.85%
Xero	3.65%
Spark New Zealand	3.33%
BHP Group	3.12%
Infratil	3.01%
Auckland Airport	2.88%
Ryman Healthcare	2.81%

Current Asset Allocation

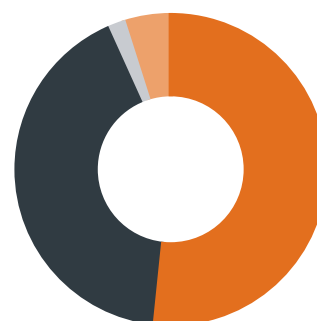
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	4.91%	5.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	48.53%	47.50%
Australian Equities	46.56%	47.50%
International Equities	0.00%	0%
Other	0.00%	0%

The actual cash held by the Fund is 6.64%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Sector Exposure

Allocation	Weight %
Health Care	21.65%
Financials	12.18%
Consumer Staples	10.84%
Industrials	10.54%
Materials	10.34%
Information Technology	7.98%
Utilities	6.57%
Communication Services	6.42%
Other Sectors	8.57%
Cash and Other	4.91%

Region Exposure



■ New Zealand 51.63%
 ■ Australia 41.61%
 ■ International 1.85%
 ■ Cash and Other 4.91%

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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