

Global Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 December 2019



Portfolio Managers



Felix Fok
Portfolio Manager



Stephen Johnston
Co-Portfolio Manager

The Fund climbed 0.7% in December, outperforming the market by 0.6%. The Fund is 50% exposed to major overseas currencies and during the month a strong NZ dollar offset gains from international shares.

Positive contributors included Freee (+61.3%), a Japanese cloud-based accounting/payroll software developer that listed in Tokyo last month. Freee has a similar business model to local champion Xero but is 100% focused on serving small and medium sized businesses in Japan. Growth prospects are attractive given low penetration rates of cloud-based accounting and payroll software in Japan.

EOG Resources (+18.1%) climbed as US crude oil inventories declined and investors bought into the sector which lagged in 2019. EOG is a best-in-class operator employing technology to make drilling and extraction more efficient in a still essential segment of the economy.

Detractors from performance included Constellation Software (-11.1%), a Toronto listed group that specialises in acquiring and managing a portfolio of software companies. Its low-key founder Mark Leonard has a long and successful track record executing a strategy of finding mission critical, industry specific software applications.

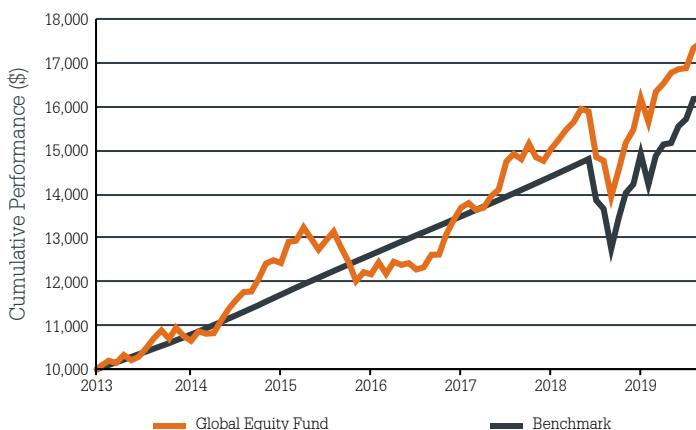
Pigeon (-20.4%) lowered guidance for its financial results. Despite strong demand for its nursing bottles and baby accessories in China, Pigeon's sales and distribution of products are being impacted by disruptions in Hong Kong. The Fund exited this position during the month.

Overall, the economic backdrop remains one of slow economic growth, but global central banks have responded with lower interest rates. The portfolio remains focused on our key investment themes and dominant companies.

To view Milford's January 2020 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.

Key Fund Facts

Objective¹	Capital growth by out-performing the relevant share market index over a minimum of five years
Description	Primarily invests in international equities
Target Allocation	5% Income Assets / 95% Growth Assets
Neutral FX Exposure	50.0%
Net Asset Value (NAV)	\$651.3 M
Buy-sell Spread	None
Inception Date	12 April 2013
Benchmark	MSCI World Index with net dividends reinvested (50% NZD-hedged)
Base Fund Fee²	1.35%
Performance Fee	15% of the Fund's returns above the Benchmark ¹ , subject to the high watermark.
Total Fund Fees³	1.35%
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: center; align-items: center; gap: 10px; margin-top: 5px;"> Potentially lower returns Potentially higher returns </div>

Investment Performance after fees as at 31 December 2019⁴

Unit Price: \$1.7306

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Global Equity Fund (Gross Of Tax)	0.75%	3.61%	25.24%	11.45%	8.20%	8.65%
After Tax 10.50%	0.65%	3.38%	24.65%	11.11%	7.87%	8.34%
After Tax 17.50%	0.59%	3.23%	24.25%	10.89%	7.66%	8.13%
After Tax 28.00%	0.50%	3.00%	23.66%	10.55%	7.34%	7.82%
Benchmark	0.10%	4.10%	26.92%	7.02%	7.28%	7.43%

Top Security Holdings

Holdings	% of Fund's NAV
Microsoft Corp	3.78%
Alphabet	3.64%
Visa	3.33%
Mastercard	3.32%
Amazon	3.23%
HDFC Bank	2.98%
Apple	2.83%
Taiwan Semiconductor	2.55%
CME Group	2.50%
Starbucks	2.33%

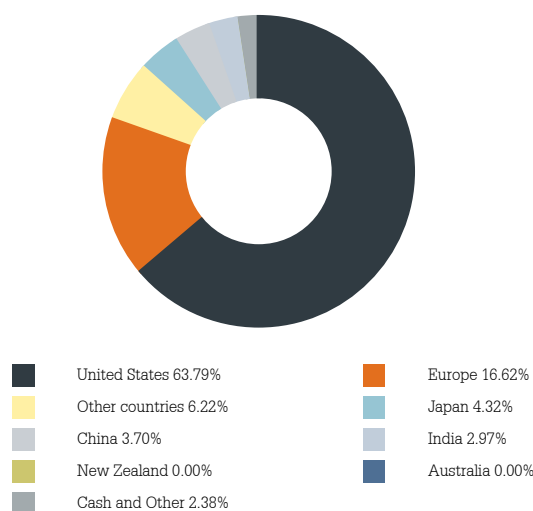
Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	0.00%	5.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	0.00%	0%
Australian Equities	0.00%	0%
International Equities	97.62%	95.00%
Other	2.38%	0%

Sector Exposure

Allocation	Weight %
Information Technology	30.33%
Consumer Discretionary	19.27%
Financials	11.78%
Health Care	9.69%
Consumer Staples	7.75%
Communication Services	5.27%
Industrials	4.54%
Real Estate	3.74%
Other Sectors	5.25%
Cash and Other	2.38%

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. 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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