

# Global Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 December 2020



## Portfolio Managers



**Felix Fok**  
Portfolio Manager



**Stephen Johnston**  
Co-Portfolio Manager

Global Equity rose 1.8% in December which was 0.8% behind the market index. The NZ dollar has climbed steadily against the US dollar since March last year, and the Fund's currency hedging has helped buffer against some of this headwind.

Key positive contributors included Apple (+11.5%) which attracted renewed interest on the launch of 5G iPhones, the prospect of an Apple Car, and its growing prowess in designing its own processing chips. For similar reasons to Apple, Taiwan Semiconductor Manufacturing Company (+12.9%) also traded strongly, underlining the importance and growing consumption of computing chips in the long-term trend of digitalisation.

Detractors from performance included Alibaba (-11.0%) for the second month in a row. The scrutiny over founder Jack Ma's businesses that started with regulation changes in November continued with the announced investigation by Chinese authorities into potential monopolistic behaviour. The Fund continues to reassess the risk-reward and reallocated a small amount away from Alibaba to other Chinese holdings in the Fund.

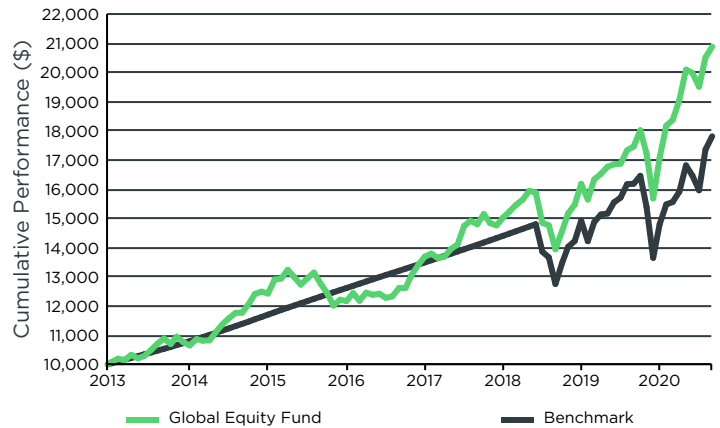
Elsewhere, credit ratings agency S&P Global (-6.6%) fell following the announcement of a \$44bn acquisition of business intelligence company IHS Markit. Investors fear the company is overpaying for an asset that departs from its core benchmark and standards business. The Fund reduced its holding.

We are optimistic on the outlook given the positive vaccine developments, which despite facing a challenging rollout, provide light at the end of the tunnel. The portfolio remains focused on our key investment themes and dominant companies.

To view Milford's January 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.

## Key Fund Facts

<b>Objective<sup>1</sup></b>	Capital growth by out-performing the relevant share market index over a minimum of five years
<b>Description</b>	Primarily invests in international equities
<b>Target Allocation</b>	5% Income Assets / 95% Growth Assets
<b>Neutral FX Exposure</b>	50.0%
<b>Net Asset Value (NAV)</b>	\$1,014.1 M
<b>Buy-sell Spread</b>	None - swing pricing applies (See PDS for details)
<b>Inception Date</b>	12 April 2013
<b>Benchmark</b>	MSCI World Index with net dividends reinvested (50% NZD-hedged)
<b>Base Fund Fee<sup>2</sup></b>	1.35%
<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>	1.35%
<b>Risk Indicator</b>	<div style="display: flex; justify-content: space-between; align-items: center;"> <span>Lower risk</span> <span>Higher risk</span> </div> <div style="display: flex; justify-content: center; align-items: center; margin: 5px 0;"> <span style="margin: 0 10px;">1</span> <span style="margin: 0 10px;">2</span> <span style="margin: 0 10px;">3</span> <span style="margin: 0 10px;">4</span> <span style="margin: 0 10px;">5</span> <span style="margin: 0 10px;">6</span> <span style="margin: 0 10px;">7</span> </div> <div style="display: flex; justify-content: center; align-items: center;"> <span>Potentially lower returns</span> <span style="margin: 0 100px;">▲</span> <span>Potentially higher returns</span> </div>



# Global Equity Fund as at 31 December 2020

## Investment Performance after fees as at 31 December 2020<sup>4</sup>

Unit Price: \$2.0662

	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)	1.80%	4.51%	19.58%	12.16%	10.32%	10.00%
After Tax 10.50%	1.77%	4.42%	19.56%	11.93%	10.10%	9.73%
After Tax 17.50%	1.75%	4.36%	19.55%	11.79%	9.94%	9.54%
After Tax 28.00%	1.72%	4.27%	19.54%	11.56%	9.72%	9.27%
Benchmark	2.61%	8.19%	10.03%	8.11%	7.65%	7.76%

## Top Security Holdings

Holdings	% of Fund
Amazon	3.53%
Microsoft	3.43%
Apple	3.36%
Alphabet	3.02%
Intercontinental Exchange	2.89%
HDFC Bank	2.80%
TSMC	2.60%
Paypal	2.53%
TransUnion	2.42%
Anthem	2.37%

## Current Asset Allocation

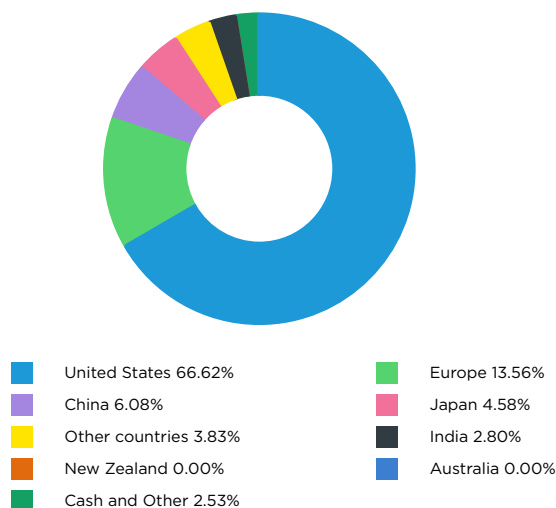
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	0.98%	5.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	0.00%	0%
Australian Equities	0.00%	0%
International Equities	97.47%	95.00%
Other	1.55%	0%

# The actual cash held by the Fund is 0.76%. 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 %
Information Technology	29.28%
Health Care	14.18%
Consumer Discretionary	13.10%
Industrials	12.30%
Financials	8.58%
Communication Services	7.54%
Consumer Staples	6.76%
Materials	3.15%
Real Estate	1.47%
Utilities	1.11%
Cash and Other	2.53%

## 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](http://milfordasset.com/fact-sheet) for more information about the data published within this document.

Disclaimer: The Milford Fund Fact Sheet has been prepared by Milford Funds Limited. It is based on information believed to be accurate and reliable although no guarantee can be given that this is the case. No reproduction of any material either in part or in full is permitted without prior permission. For more information about the Fund, please refer to the Production Disclosure Statement or the latest Quarterly Fund Update.