

Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 October 2020



Portfolio Managers



Sam Trethewey
Portfolio Manager



Wayne Gentle
Co-Portfolio Manager

The Fund returned 2.9% in October compared to returns of 2.9% for the NZX 50 index and 2.0% for the ASX 200 index. During the month, both local markets had rallied over 6% before pulling back alongside global equity markets as virus case numbers increased in the northern hemisphere.

Highlights for the Fund included: Mainfreight (+17.2%), Afterpay (+20.9%) and retirement village operator Summerset (+15.7%). We attended Mainfreight's investor day in Tauranga where the company provided a positive trading update reflecting market share gains and a strong bounce back in economic activity across Australia and NZ. Afterpay released a strong quarterly update to the market indicating it continues to grow rapidly in the US and frequency of use is high. Summerset continues to be sought after by investors on the local housing market strength and its attractive growth profile vs sector peers. We added to Fletcher Building early in the month as local housing market strength and associated construction activity is likely to be beneficial for earnings. At its August result Fletcher Building reiterated a very cautious macro outlook, anticipating NZ residential volumes to be down -c.30% over the next 12 months. We rotated some of our electricity company exposure from Meridian Energy into Contact Energy.

Looking ahead, November is an important month for the local markets. It is annual meeting season and many companies are likely to provide outlook commentary for the current financial year. In the medium term, the outlook of many companies will still be determined by the impact of COVID-19, in both a health and economic sense, over the coming year. Irrespective of short-term market performance long-term returns will be heavily 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 Fisher & Paykel Healthcare) and avoid where we see stretched balance sheets, earnings or valuation risk.

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

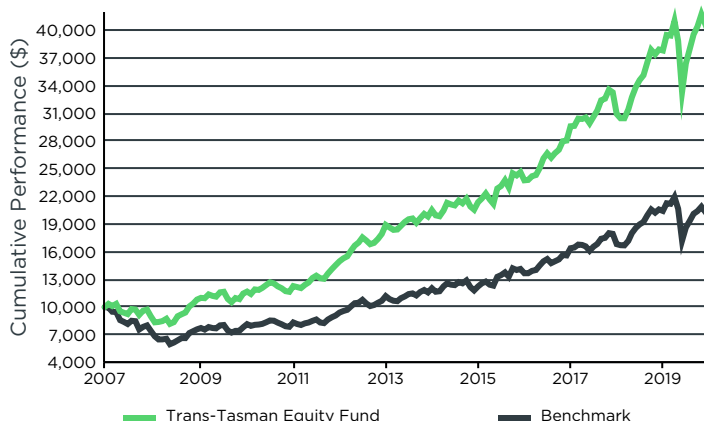
External Ratings



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) \$576.1 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 Fee² 1.05%

Performance Fee 15% of the Fund's returns above the Benchmark¹, subject to the high watermark.

Total Fund Fees³ 1.05%



Trans-Tasman Equity Fund as at 31 October 2020

Investment Performance after fees as at 31 October 2020⁴

Unit Price: \$3.3745

	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)	2.85%	3.54%	10.67%	12.23%	14.38%	11.56%
After Tax 10.50%	2.77%	3.44%	10.44%	11.95%	14.04%	11.13%
After Tax 17.50%	2.71%	3.38%	10.29%	11.76%	13.81%	10.90%
After Tax 28.00%	2.63%	3.28%	10.06%	11.48%	13.47%	10.52%
Benchmark	2.41%	2.06%	1.97%	8.33%	11.22%	5.77%

Top Security Holdings

Holdings	% of Fund's NAV
Fisher & Paykel Healthcare	8.96%
a2 Milk Company	4.97%
CSL	4.56%
Mainfreight	3.98%
Xero	3.48%
Infratil	3.01%
Auckland Airport	2.84%
Spark New Zealand	2.82%
BHP Group	2.79%
Ryman Healthcare	2.71%

Current Asset Allocation

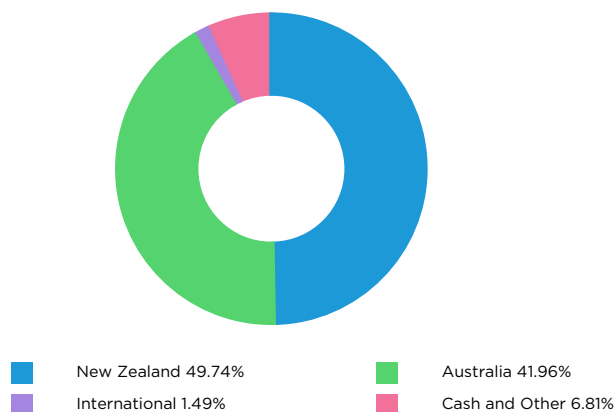
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	6.17%	5.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	46.87%	47.50%
Australian Equities	46.32%	47.50%
International Equities	0.00%	0%
Other	0.64%	0%

The actual cash held by the Fund is 6.41%. 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	21.10%
Financials	12.27%
Industrials	11.76%
Materials	9.48%
Consumer Staples	7.99%
Information Technology	7.71%
Utilities	7.47%
Cash and Other	6.81%
Communication Services	6.18%
Consumer Discretionary	4.45%
Real Estate	4.35%
Energy	0.43%

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 for more information about the data published within this document.

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