

Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 August 2021



Portfolio Managers



Sam Trethewey
Portfolio Manager



Wayne Gentle
Co-Portfolio Manager

The Fund delivered a 4.4% return in August, bringing the 1-year return to 23.8%. The Fund's August performance compares to a return of 5.0% for the NZX 50 index and 2.5% for the ASX200. The strong performance was a combination of a well-supported local markets through the August earnings season and our stock selection.

August is an important month as many of our holdings report financial results for the past six months. It also provides an opportunity to discuss each company's outlook with management. Pleasingly, the earnings season exceeded expectations with a large number of companies delivering earnings 'beats' and management outlook comments indicating that the earnings momentum is set to continue. Cost pressures, which we had been concerned about prior and have been evident in parts of the local economies, do not appear to be having a material impact to profitability. This is reflective of strong business models.

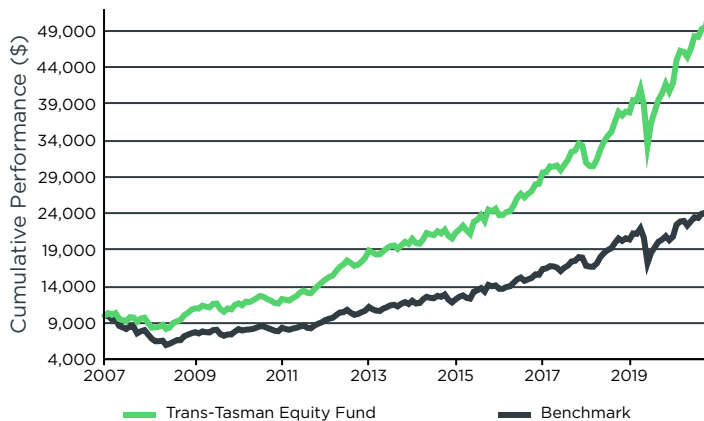
Highlights for the month included retirement village operator Summerset (+17.1%), wealth management platform Hub24 (+25.0%) and Mainfreight (+14.6%). Summerset delivered a strong result, growing earnings by 67% vs the same COVID-19 impacted period last year. The company is seeing record sale volumes at villages and lifted its build rate to meet growing demand. Hub24 continues to win an increasing share of the Australian wealth management market and demonstrate significant operating leverage. Mainfreight rallied following a trading update in late July. Tightness in global supply chains is supporting exceptional growth for the company and allowing it to take market share. During the month we added Carsales to the Fund following a strong result that indicated pricing power and a significant growth runway ahead. We took profit on our holding in Fletcher Building following its strong result and trimmed Xero into strength.

Looking ahead, the Fund remains orientated towards cyclical stocks as the economic recovery from COVID-19 continues to surprise to the upside. The current virus outbreak and associated lockdown in NZ may create a short-term earnings headwind for some. However, this time around companies are generally far better prepared from both a balance sheet and operational perspective. Irrespective of short-term market performance, long-term returns will be 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 Mainfreight, Xero and Fisher & Paykel Healthcare) and avoid those where we see stretched balance sheets, earnings or valuation risk.

To view Milford's September 2021 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, and assumes reinvestment of distribution.

Key Fund Facts

Objective¹	To provide capital growth by outperforming 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)	\$982.0 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 Benchmark ¹ , subject to the high watermark.
Total Fund Fees³	1.05%
Risk Indicator	Lower risk Higher risk 1 2 3 4 5 6 7 Potentially lower returns Potentially higher returns

External Ratings



Milford Trans-Tasman Equity Fund received a Morningstar Analyst Rating™ of 'Silver' on 19-05-2021



Trans-Tasman Equity Fund as at 31 August 2021

Investment Performance after fees as at 31 August 2021⁴

Unit Price: \$4.1411

	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)	4.44%	7.22%	23.76%	15.45%	16.31%	12.52%
After Tax 10.50%	4.38%	7.08%	23.30%	15.12%	15.97%	12.10%
After Tax 17.50%	4.33%	6.99%	23.00%	14.90%	15.74%	11.87%
After Tax 28.00%	4.27%	6.85%	22.55%	14.57%	15.40%	11.49%
Benchmark	3.73%	6.66%	19.39%	11.43%	12.20%	6.79%

Top Security Holdings

Holdings	% of Fund
Fisher & Paykel	7.03%
Mainfreight	5.25%
Xero	4.24%
CSL	3.54%
Infratil	3.27%
NAB	3.12%
Summerset	3.03%
Westpac	2.79%
BHP	2.64%
Contact Energy	2.45%

Current Asset Allocation

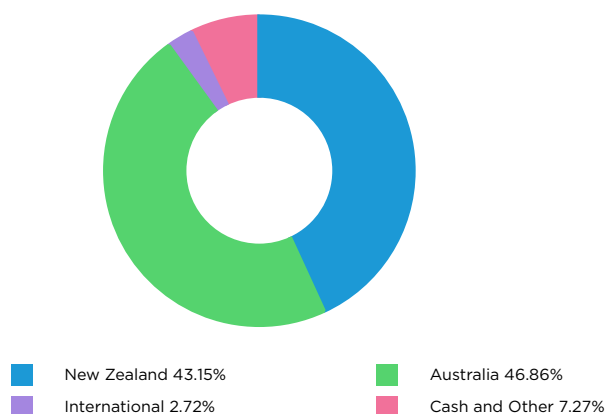
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	6.65%	5%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	41.65%	47.5%
Australian Equities	51.08%	47.5%
International Equities	0.00%	0%
Other	0.62%	0%

The actual cash held by the Fund is 8.11%. 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	17.84%
Financials	15.72%
Industrials	14.04%
Materials	10.47%
Utilities	8.55%
Consumer Discretionary	7.48%
Information Technology	7.02%
Communication Services	4.03%
Consumer Staples	3.05%
Real Estate	2.73%
Energy	1.80%
Cash and Other	7.27%

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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