

Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 28 February 2021



Portfolio Managers



Sam Trethewey
Portfolio Manager



Wayne Gentle
Portfolio Manager

February was another mixed month for the Fund as the local markets grappled with a move higher in interest rates and the prospect of improving economic growth. The Fund pulled back 1.5% compared to a 6.9% decline in the NZX 50 index and 1.5% return for the ASX 200 index. The dispersion in performance is driven by market composition. Interest rate sensitive stocks represent approximately half the NZX while the ASX is dominated by companies which are beneficiaries of strong economic growth.

We managed to offset some of the NZX pull back via good stock selection. Highlights included retirement village operator Summerset (+5.6%), cinema software developer Vista (+14.1%). Summerset delivered a strong FY20 result and benefitted from positive investor sentiment given the strong housing market. Vista Group rallied on the prospect of cinemas reopening across the globe as Covid-19 case numbers fall. On the ASX, bank Virgin Money UK (+39.5%) stood out. This is a UK based retail bank that benefitted from improved investor confidence in the reopening and recovery of the UK. Elsewhere we added to our holding in Fisher & Paykel Healthcare as the stock was sold by the market on the rising interest rate concerns. We believe the market is pricing a conservative post Covid-19 earnings outlook for the company and remain comfortable with the medium-term outlook. We trimmed holdings in Afterpay and Goodman Group early in the month and added to recovery exposures like CSL and Aristocrat.

February illustrated the different sensitivities of the ASX and NZX to changes in interest rates. Outside of this, the February reporting season demonstrated that the financial performance of our companies is very sound. 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 Mainfreight, Xero and Fisher & Paykel Healthcare) and avoid where we see stretched balance sheets, earnings or valuation risk.

To view Milford's March 2021 Market and Economic Review please see milfordasset.com/fact-sheet.

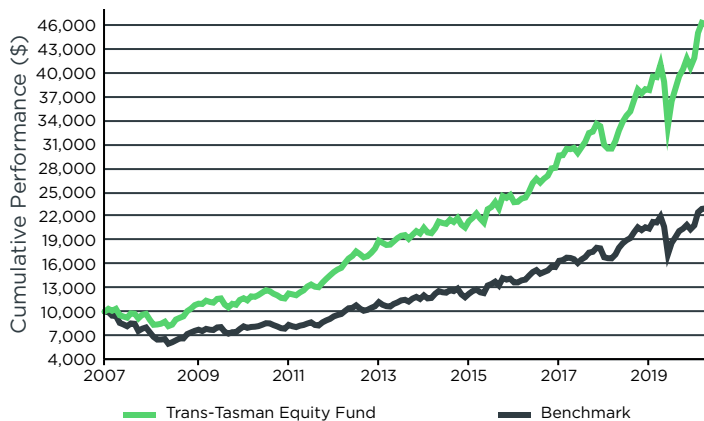
External Ratings



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) \$716.5 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 28 February 2021

Investment Performance after fees as at 28 February 2021⁴

Unit Price: \$3.6605

	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)	-1.47%	0.95%	16.89%	14.12%	16.46%	11.94%
After Tax 10.50%	-1.47%	1.02%	16.85%	13.86%	16.13%	11.52%
After Tax 17.50%	-1.47%	1.07%	16.82%	13.68%	15.90%	11.30%
After Tax 28.00%	-1.46%	1.14%	16.77%	13.41%	15.56%	10.92%
Benchmark	-2.69%	-0.55%	8.14%	10.45%	12.63%	6.18%

Top Security Holdings

Holdings	% of Fund
Fisher & Paykel	7.48%
Mainfreight	4.31%
Xero	4.02%
CBA	3.59%
Infratil	3.59%
CSL	3.25%
BHP	2.93%
Summerset	2.81%
NAB	2.80%
Ryman Healthcare	2.76%

Current Asset Allocation

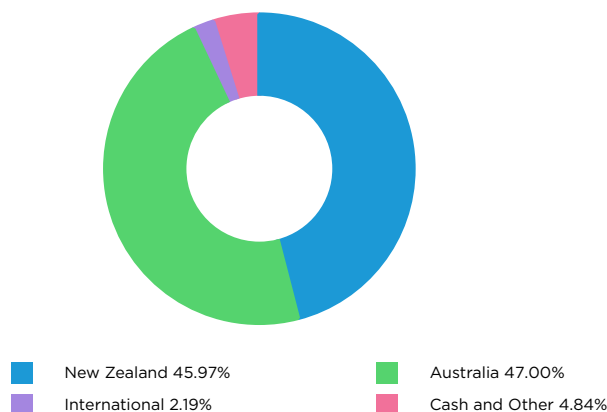
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	4.37%	5.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	42.41%	47.50%
Australian Equities	52.75%	47.50%
International Equities	0.00%	0%
Other	0.47%	0%

The actual cash held by the Fund is 5.81%. 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	18.32%
Financials	15.64%
Materials	13.96%
Industrials	10.20%
Utilities	7.38%
Information Technology	7.23%
Consumer Discretionary	7.11%
Communication Services	5.62%
Consumer Staples	5.00%
Real Estate	3.12%
Energy	1.58%
Cash and Other	4.84%

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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