

Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 May 2021



Portfolio Managers



Sam Trethewey
Portfolio Manager



Wayne Gentle
Co-Portfolio Manager

The Fund fell 0.2% in May after a volatile month. The NZX 50 fell 3.2%, as market heavy weights Fisher & Paykel Healthcare and a2 Milk pulled back, while the ASX 200 rallied 2.3% driven by strength in cyclical stocks.

Notable performers for the Fund included cyclicals Aristocrat Leisure (+11.0%), Mainfreight (+4.8%) and Collins Foods (+10.8%), while Fisher & Paykel Healthcare fell 17.1% despite reporting a stellar annual result with profit up 82%. The market took exception to a lack of forward guidance provided by the company. At present Fisher & Paykel is facing a volatile demand environment due to COVID-19. We retain conviction in the medium-term growth outlook for the company with the installed base of its hospital respiratory equipment increasing significantly over the past year due to COVID-19. Over the month we added to Xero after the market sold the stock following its annual result in reaction to higher-than-expected cost guidance for the year ahead. For Xero higher costs represent spend on R&D and marketing to attract new subscribers increasing the long-term value of the business. Elsewhere we trimmed CBA as the stock approached A\$100 and added to steel producer Bluescope.

Looking ahead, the Fund remains orientated towards cyclical stocks as the economic recovery from COVID-19 continues to surprise to the upside. In addition, May earnings releases and trading updates illustrated an ability for most of these companies to pass on cost pressures at this stage. We will be watching the recovery and cost pressures closely in the months ahead. 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 June 2021 Market and Economic Review please see milfordasset.com/fact-sheet.

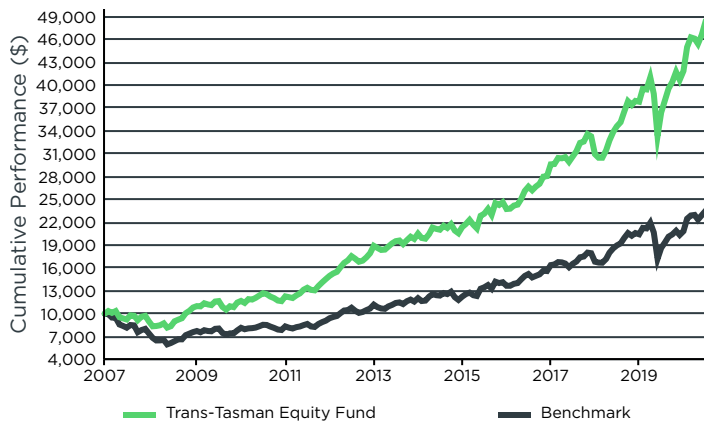
External Ratings



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) \$857.3 M

Buy-sell Spread None - swing pricing applies (see PDS for details)

Inception Date 1 October 2007

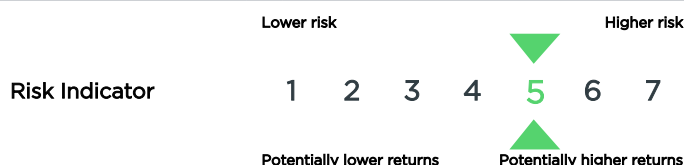
Current Distribution 1.5 cents per unit (Biannually)

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 May 2021

Investment Performance after fees as at 31 May 2021⁴

Unit Price: \$3.8647

	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)	-0.19%	6.07%	26.77%	15.43%	15.19%	12.19%
After Tax 10.50%	-0.27%	6.01%	26.58%	15.15%	14.88%	11.77%
After Tax 17.50%	-0.33%	5.96%	26.45%	14.97%	14.68%	11.55%
After Tax 28.00%	-0.41%	5.90%	26.26%	14.69%	14.36%	11.17%
Benchmark	-0.44%	4.60%	20.77%	11.53%	11.17%	6.41%

Top Security Holdings

Holdings	% of Fund
Fisher & Paykel	6.65%
Mainfreight	4.44%
Xero	4.38%
CSL	3.86%
Infratil	3.53%
NAB	3.37%
Contact Energy	2.81%
BHP	2.73%
Summerset	2.69%
Rio Tinto	2.65%

Current Asset Allocation

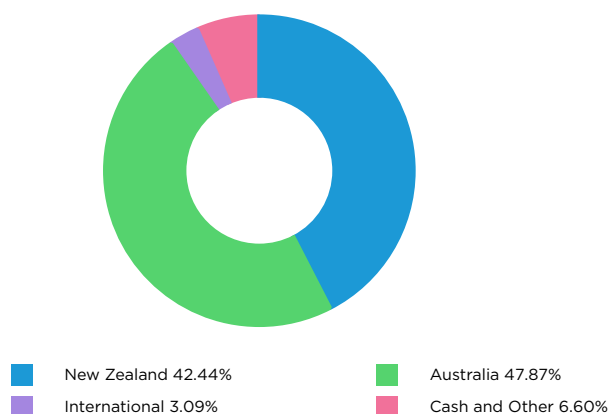
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	5.98%	5.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	40.13%	47.50%
Australian Equities	53.27%	47.50%
International Equities	0.00%	0%
Other	0.62%	0%

The actual cash held by the Fund is 7.62%. 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	17.77%
Materials	15.30%
Financials	14.23%
Industrials	10.96%
Utilities	9.34%
Consumer Discretionary	7.71%
Information Technology	6.33%
Communication Services	3.95%
Consumer Staples	3.66%
Real Estate	2.38%
Energy	1.77%
Cash and Other	6.60%

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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