

Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 April 2019



Portfolio Managers



Sam Trethewey
Portfolio Manager



Wayne Gentle
Portfolio Manager

The Fund returned 2.2% in April largely due to a stellar performance by a2 Milk (+17.2%), the Fund's largest holding. This compares to the NZX 50 Gross Index which rallied 1.7% and a return of 2.4% from the ASX 200 Index. The Fund has now returned 13.0% over the past 12 months.

The performance of a2 Milk was largely attributable to several broker reports indicating the company has had continued strong sales momentum in the China infant formula market. Xero (+11.9%) was another standout for the Fund, benefitting from a broad tech rally across the local equity markets. Elsewhere, interest rate sensitive names like Spark (-3.4%) and Contact Energy (-3.3%) saw profit taking following a very strong rally in March.

During the month, the Fund exited around 80% of its Restaurant Brands holding at \$9.45 into the partial takeover offer by Finaccess Capital. We also reduced exposure to the Australian banks ahead of the May reporting period and participated in a \$175m capital raising by Ebos Group. The raising, while dilutive to near-term earnings, provides the company balance sheet to continue to make acquisitions.

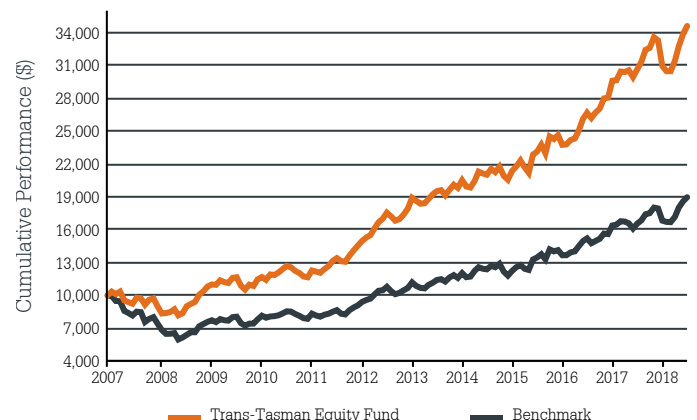
Looking ahead we continue to focus on stock selection. The challenge at present is domestic cyclical exposures

appear priced for a weakening outlook while growth companies in some cases earn a premium to global peers due to their scarcity. The approach has been to reduce the number of individual holdings and concentrate the Fund where we have conviction.

To view Milford's May 2019 Market and Economic Review please [click here](#).

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)	\$327.4 M
Buy-sell Spread	None
Inception Date	1 October 2007

Current Distribution	1.5 cents per unit (Quarterly)
Benchmark	50% x S&P/ASX 200 Accumulation 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	<p>Lower risk Higher risk</p> <p style="text-align: center;">1 2 3 4 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p>

Investment Performance after fees as at 30 April 2019⁴

Unit Price: \$2.8453

	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)	2.22%	10.08%	12.99%	14.39%	12.13%	11.31%
After Tax 10.50%	2.28%	9.99%	12.55%	13.99%	11.66%	10.85%
After Tax 17.50%	2.33%	9.94%	12.25%	13.73%	11.35%	10.62%
After Tax 28.00%	2.40%	9.85%	11.81%	13.33%	10.89%	10.21%
Benchmark	2.06%	10.38%	14.62%	12.09%	10.69%	5.68%

Top Security Holdings

Holdings	% of Fund's NAV
a2 Milk Company	9.92%
Fisher & Paykel Healthcare	5.63%
Spark New Zealand	4.97%
CSL	4.60%
BHP Group	4.04%
Commonwealth Bank	3.92%
Contact Energy	3.73%
Auckland Airport	3.32%
Mainfreight	3.14%
Westpac Banking Corp	2.62%

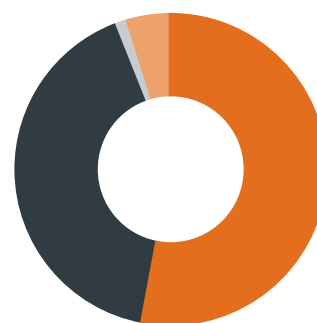
Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	4.89%	5.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	51.39%	47.50%
Australian Equities	43.72%	47.50%
International Equities	0.00%	0%
Other	0.00%	0%

Sector Exposure

Allocation	Weight %
Health Care	15.68%
Industrials	12.60%
Financials	12.37%
Consumer Staples	11.94%
Materials	11.35%
Utilities	8.13%
Communication Services	6.67%
Information Technology	4.85%
Other Sectors	11.52%
Cash and Other	4.89%

Country Exposure



■ New Zealand 52.93%
 ■ Australia 41.04%
 ■ International 1.14%
 ■ Cash and Other 4.89%

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' [here](#) for more information about the data published within this document.

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