

Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 March 2019



Portfolio Managers



Sam Trethewey
Portfolio Manager



Wayne Gentle
Portfolio Manager

March was another very strong month for the Fund (+3.4%) and the local markets. The NZX 50 Gross Index finished the month up 5.6%, at all-time highs and around 5% above its previous peak in September 2018. The Australian market was more subdued (+0.7%) following a strong performance in January and February.

The key driver of returns was the 'yield trade' rather than any individual stock performance. The comments from central banks indicating that there would be no further interest rate hikes this year fuelled demand for high dividend paying stocks and local exposures benefited strongly. The move was best illustrated by the returns of the electricity companies Meridian Energy (+16.1%) and Contact Energy (+13.0%). Both are significant holdings of the Fund.

Over the month we continued to increase our positions in healthcare exposures Fisher & Paykel Healthcare and CSL. Both companies have strong competitive positions and had experienced a period of underperformance. We reduced our position in Auckland Airport into strength and reduced Qantas on concerns around the Australian consumer and investor positioning.

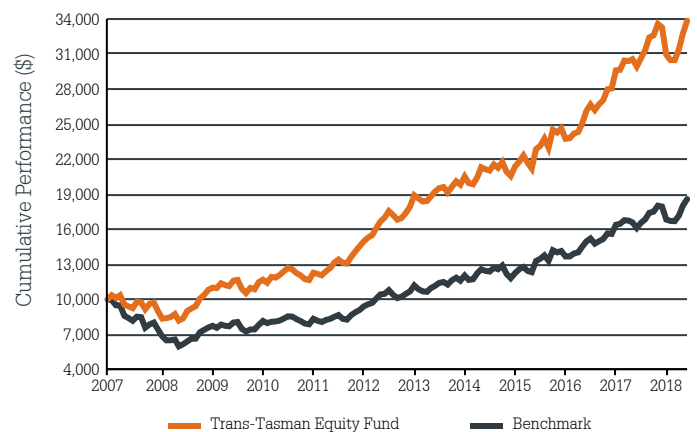
Looking ahead we will continue to focus on stock selection. The challenge at present is domestic cyclical exposures appear priced for a weakening outlook, while growth companies in some cases earn a premium to global peers due to their scarcity. The approach has been to reduce the

number of individual holdings and concentrate the Fund where we have conviction.

To view Milford's April 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)	\$334.5 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 31 March 2019⁴

Unit Price: \$2.7838

	3 Months	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Trans-Tasman Equity Fund (Gross Of Tax)	11.09%	1.71%	13.08%	14.00%	11.97%	11.19%
After Tax 10.50%	10.92%	1.31%	12.61%	13.58%	11.49%	10.72%
After Tax 17.50%	10.80%	1.04%	12.29%	13.30%	11.17%	10.47%
After Tax 28.00%	10.63%	0.64%	11.82%	12.88%	10.69%	10.06%
Benchmark	11.32%	3.58%	15.36%	11.85%	10.74%	5.54%

Top Security Holdings

Holdings	% of Fund's NAV
a2 Milk Company	8.89%
Fisher & Paykel Healthcare	5.39%
Spark New Zealand	5.20%
CSL	4.29%
BHP Group	4.02%
Contact Energy	3.93%
Commonwealth Bank	3.69%
Mainfreight	3.16%
Westpac Banking Corp	3.13%
Auckland Airport	2.89%

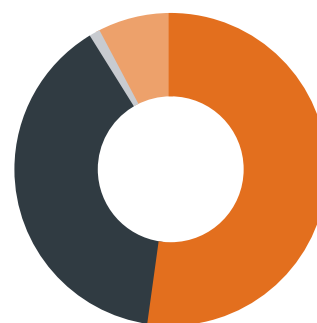
Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	7.46%	5.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	51.21%	47.50%
Australian Equities	41.04%	47.50%
International Equities	0.00%	0%
Other	0.29%	0%

Sector Exposure

Allocation	Weight %
Health Care	16.12%
Financials	12.79%
Industrials	11.62%
Materials	10.83%
Consumer Staples	10.59%
Utilities	7.67%
Communication Services	6.83%
Consumer Discretionary	4.75%
Other Sectors	11.05%
Cash and Other	7.75%

Country Exposure



■ New Zealand 52.19%
 ■ Australia 38.93%
 ■ International 1.13%
 ■ Cash and Other 7.75%

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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