

Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 May 2019



Portfolio Managers



Sam Trethewey
Portfolio Manager



Wayne Gentle
Portfolio Manager

The Fund delivered a strong return of 1.5% in May. This compared to the NZX 50 Gross Index which rallied 1.0% and a return of 1.7% from the ASX 200 Index. The Fund has now returned 12.1% over the past 12 months. The key event of the month was a surprise victory in the Australian election by the incumbent Liberal-led coalition. The election outcome saw housing related exposures across the market rally as the market perceived the Liberal party policy to be less negative for the Australian housing market. The Australian banks rallied around 5% on post-election optimism.

The Fund's performance was driven by good stock selection. Key winners included Aristocrat Leisure (+12.9%), Xero (+9.8%) and Mainfreight (+9.7%). All three companies delivered financial results ahead of market expectations and have a growth path of many years ahead of them.

During the month the Fund participated in a \$400m capital raising by Infratil to fund the acquisition of Vodafone NZ. Infratil have the opportunity to generate attractive returns from Vodafone NZ by increasing leverage and allowing CEO Jason Paris to increase profitability by rolling out the playbook he learnt during his time at Spark NZ. The Fund reduced its holding in Fletcher Building into strength following the unexpected outcome of the Australian election and reduced oil exposure Woodside Petroleum.

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 June 2019 Market and Economic Review please see milfordasset.com/fact-sheet.

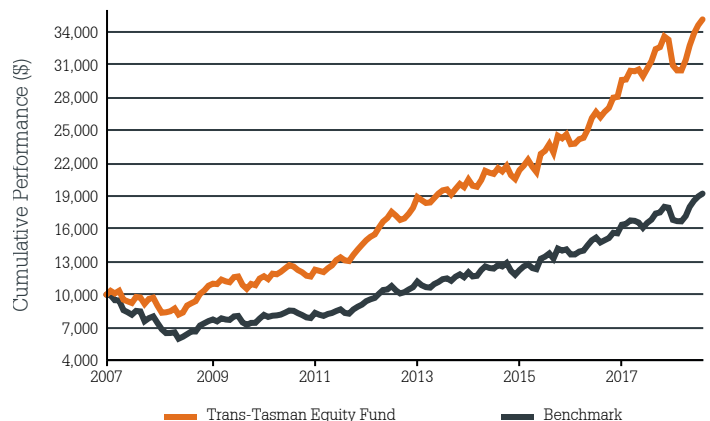
External Ratings



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

Objective ¹	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)	\$336.7 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 Fee ²	1.05%
Performance Fee	15% of the Fund's returns above the Benchmark ¹ , subject to the high watermark.
Total Fund Fees ³	1.05%
Risk Indicator	<div style="display: flex; justify-content: space-between;"> Lower risk Higher risk </div> <div style="text-align: center;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between;"> Potentially lower returns Potentially higher returns </div>



Investment Performance after fees as at 31 May 2019⁴

Unit Price: \$2.8888

	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)	1.54%	7.29%	12.15%	13.94%	12.37%	11.37%
After Tax 10.50%	1.55%	7.27%	11.74%	13.56%	11.91%	10.92%
After Tax 17.50%	1.56%	7.26%	11.46%	13.31%	11.61%	10.68%
After Tax 28.00%	1.57%	7.24%	11.05%	12.93%	11.15%	10.28%
Benchmark	1.39%	6.74%	14.12%	11.79%	10.85%	5.77%

Top Security Holdings

Holdings	% of Fund's NAV
a2 Milk Company	9.54%
Fisher & Paykel Healthcare	5.37%
BHP Group	4.83%
CSL	4.50%
Commonwealth Bank	4.04%
Contact Energy	3.90%
Spark New Zealand	3.81%
Auckland Airport	3.58%
Mainfreight	3.47%
Meridian Energy	2.40%

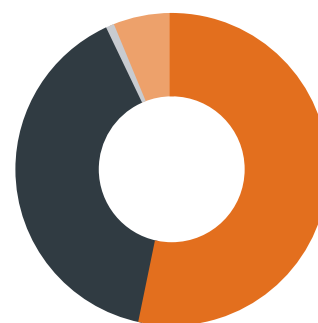
Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	6.25%	5.00%
New Zealand Fixed Interest	0.00%	0.00%
International Fixed Interest	0.00%	0.00%
New Zealand Equities	52.45%	47.50%
Australian Equities	41.30%	47.50%
International Equities	0.00%	0.00%
Other	0.00%	0.00%

Sector Exposure

Allocation	Weight %
Health Care	15.31%
Industrials	12.70%
Financials	12.17%
Consumer Staples	11.07%
Materials	11.04%
Utilities	9.13%
Information Technology	6.90%
Communication Services	4.85%
Other Sectors	10.58%
Cash and Other	6.25%

Country Exposure



■ New Zealand 53.23%
 ■ Australia 39.66%
 ■ International 0.86%
 ■ Cash and Other 6.25%

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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