

Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 June 2019



Portfolio Managers



Sam Trethewey
Portfolio Manager



Wayne Gentle
Portfolio Manager

The Fund delivered another strong return of 4.0% in June, driven by good stock selection. This compares to the NZX 50 Gross Index return of 3.8% and the ASX 200 Index return of 3.7%.

Key winners included Contact Energy (+8.5%) and miner BHP (+9.0%). Contact Energy's performance was reflective of strong investor demand for high dividend paying stocks given the falling interest rate environment while BHP benefitted from an upswing in the iron ore price. a2 Milk (-7.2%) was the key detractor this month after China's regulator announced a new consumption target for domestically produced infant formula.

The team spent considerable time on the road this month in the United States visiting the offshore operations of some of the Fund's key holdings, as well as competitors. This provided an opportunity to meet with regional management, discuss their business to better understand its strategy and ultimately increase our conviction. This included visiting Fisher & Paykel Healthcare, Xero and Mainfreight. This time and effort on the road is reflective of our focus on stock selection as it is a huge driver of performance. The benefit of this was again evident this month; our very limited holding in Fletcher Building (-7.6%) and large holding in Mainfreight (+6.0%) added material value to the Fund.

The Fund added to its holding in a2 Milk, on weakness related to the new consumption target, and increased its exposure to several Australian property companies via capital raisings. The Fund reduced its holding in Spark into strength.

Looking ahead, 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 July 2019 Market and Economic Review please see milfordasset.com/fact-sheet.

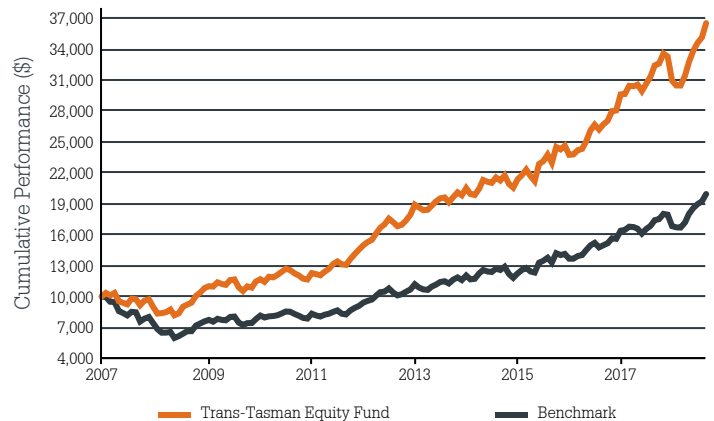
External Ratings



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)	\$359.5 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 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 30 June 2019⁴

Unit Price: \$3.002

	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)	3.96%	7.90%	12.65%	16.72%	13.79%	11.66%
After Tax 10.50%	3.87%	7.89%	12.08%	16.29%	13.31%	11.20%
After Tax 17.50%	3.80%	7.88%	11.70%	16.01%	12.99%	10.95%
After Tax 28.00%	3.71%	7.86%	11.12%	15.59%	12.51%	10.54%
Benchmark	3.73%	7.33%	14.58%	14.48%	12.10%	6.05%

Top Security Holdings

Holdings	% of Fund's NAV
a2 Milk Company	8.50%
Fisher & Paykel Healthcare	5.09%
BHP Group	4.49%
CSL	4.48%
Commonwealth Bank	3.93%
Contact Energy	3.80%
Auckland Airport	3.73%
Mainfreight	3.63%
Spark New Zealand	3.04%
Meridian Energy	2.49%

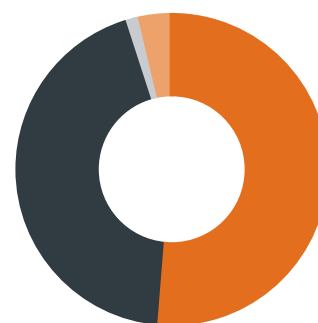
Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	3.34%	5.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	50.34%	47.50%
Australian Equities	45.95%	47.50%
International Equities	0.00%	0%
Other	0.37%	0%

Sector Exposure

Allocation	Weight %
Health Care	15.35%
Industrials	12.83%
Financials	11.94%
Consumer Staples	11.11%
Materials	10.08%
Utilities	9.93%
Information Technology	7.64%
Real Estate	6.87%
Other Sectors	10.54%
Cash and Other	3.71%

Country Exposure



■ New Zealand 51.27%
 ■ Australia 43.74%
 ■ International 1.28%
 ■ Cash and Other 3.71%

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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