

Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 July 2019



Portfolio Managers



Sam Trethewey
Portfolio Manager



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Portfolio Manager

The Fund delivered another strong return of 3.7% in July. This compares to the NZX 50 Gross Index return of +3.4% and the ASX 200 Accumulation Index return of 2.9%. Both markets are seeing strong inflows due to the low interest rate environment.

Key winners included a2 Milk (+22.8%, our largest holding) and Xero (+8.3%). a2 Milk was supported by several broker upgrades and the publication of a clinical study that compared the consumption of a2 milk vs 'conventional' milk in Chinese preschool children. The results indicated the consumption of a2 only protein milk was highly beneficial in reducing gastrointestinal symptoms and improved cognitive performance. The largest detractor was Gentrack (-14.5%) which reversed the prior month's gains following an earnings downgrade due to ongoing contract delays.

Changes over the month included increasing our holding in Xero and reducing Woolworths and Fisher & Paykel Healthcare into strength. We have high conviction on Xero's long-term prospects while Woolworths was reduced on valuation grounds. Resmed, a competitor of Fisher & Paykel in the obstructive sleep apnoea space, released its quarterly result and demonstrated market share gains likely at the expense of Fisher & Paykel.

Over the past few months the number of holdings in the Fund has reduced, preferring to concentrate in names where we have conviction. The challenge at present is domestic cyclical appear priced for a weakening outlook while growth companies in some cases earn a premium to global peers due to their scarcity.

To view Milford's August 2019 Market and Economic Review please see milfordasset.com/fact-sheet.

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)	\$381.0 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 July 2019⁴

Unit Price: \$3.1137

	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)	3.73%	9.50%	16.23%	15.63%	14.04%	11.91%
After Tax 10.50%	3.73%	9.41%	15.63%	15.21%	13.56%	11.46%
After Tax 17.50%	3.73%	9.35%	15.23%	14.94%	13.24%	11.21%
After Tax 28.00%	3.72%	9.26%	14.64%	14.52%	12.76%	10.81%
Benchmark	3.19%	8.52%	17.55%	13.15%	12.08%	6.29%

Top Security Holdings

Holdings	% of Fund's NAV
a2 Milk Company	9.69%
Fisher & Paykel Healthcare	4.76%
CSL	4.30%
Auckland Airport	4.09%
BHP Group	3.85%
Commonwealth Bank	3.72%
Mainfreight	3.71%
Contact Energy	3.46%
Xero	3.22%
Spark New Zealand	2.83%

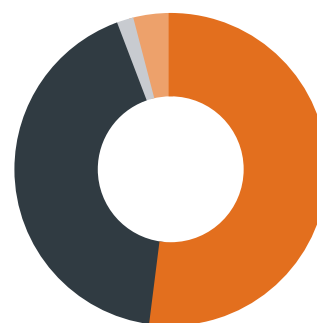
Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	3.89%	5.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	50.27%	47.50%
Australian Equities	45.66%	47.50%
International Equities	0.00%	0%
Other	0.18%	0%

Sector Exposure

Allocation	Weight %
Health Care	15.37%
Industrials	13.96%
Financials	11.84%
Consumer Staples	11.15%
Utilities	9.41%
Information Technology	9.20%
Materials	8.85%
Real Estate	6.61%
Other Sectors	9.54%
Cash and Other	4.07%

Country Exposure



■ New Zealand 52.00%
 ■ Australia 42.21%
 ■ International 1.72%
 ■ Cash and Other 4.07%

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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