

Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 August 2019



Portfolio Managers



Sam Trethewey
Portfolio Manager



Wayne Gentle
Portfolio Manager

The Fund fell 1.3% in August. This compares to the NZX 50 Gross Index return of -0.9% and the ASX 200 Accumulation Index return of -2.4%. It was a heavy news flow month with the ongoing trade war, an interest rate cut by the Reserve Bank of New Zealand and August financial reporting season.

The Fund outperformed the local markets despite a considerable headwind from a2 Milk (-19.8%). The stock gave back July's gain as the company surprised investors with guidance for lower future profitability. The company indicated it has become more optimistic about its market opportunity in China and the US, and will pursue these markets more aggressively. However, more will be spent on marketing to further enhance the brand, forgoing short term profitability.

Key winners included biotech exposure CSL (+4.9%), Contact Energy (+11.3%) and Afterpay Touch Group (+15.9%). CSL delivered a strong financial result and confident guidance for the year ahead while Contact Energy was a key beneficiary of the RBNZ interest rate reduction and is likely to grow earnings over the next three years via a geothermal development. The Fund decreased its exposure to Australian Banks in favour of the NZ electricity companies, particularly Meridian Energy. Comments by several of the management teams indicated that the current strong local wholesale power prices are likely to persist improving total dividend sustainability.

August reporting season confirmed our view that stock selection will be increasingly important to generating attractive returns in coming months. We have concentrated the Fund in positions where we have conviction around the company's competitive position and medium-term growth prospects.

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

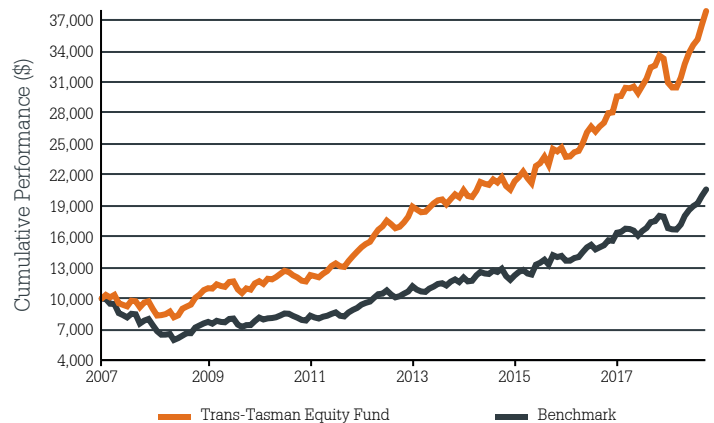
External Ratings



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)	\$413.2 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 August 2019⁴

Unit Price: \$3.073

	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)	-1.27%	6.47%	11.42%	15.51%	13.22%	11.70%
After Tax 10.50%	-1.21%	6.44%	10.97%	15.12%	12.76%	11.26%
After Tax 17.50%	-1.17%	6.41%	10.67%	14.86%	12.46%	11.02%
After Tax 28.00%	-1.11%	6.38%	10.22%	14.47%	12.00%	10.62%
Benchmark	-1.65%	5.26%	12.34%	13.01%	11.29%	6.10%

Top Security Holdings

Holdings	% of Fund's NAV
a2 Milk Company	8.01%
CSL	4.65%
Spark New Zealand	3.92%
Fisher & Paykel Healthcare	3.88%
Contact Energy	3.79%
Mainfreight	3.73%
Auckland Airport	3.59%
Xero	3.34%
Meridian Energy	3.14%
Transurban Group	2.93%

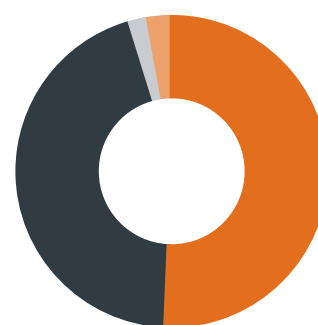
Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	2.88%	5.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	48.38%	47.50%
Australian Equities	48.74%	47.50%
International Equities	0.00%	0%
Other	0.00%	0%

Sector Exposure

Allocation	Weight %
Health Care	14.92%
Industrials	14.45%
Financials	11.63%
Utilities	10.93%
Consumer Staples	9.67%
Information Technology	9.06%
Materials	7.77%
Real Estate	7.04%
Other Sectors	11.65%
Cash and Other	2.88%

Country Exposure



■ New Zealand 50.66%
 ■ Australia 44.55%
 ■ International 1.91%
 ■ Cash and Other 2.88%

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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