

# Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 January 2020



## Portfolio Managers



**Sam Trethewey**  
Portfolio Manager



**Wayne Gentle**  
Portfolio Manager

The Fund has started the new year strongly. The Fund returned 4.0% in January driven by strong returns from our selected Australian holdings. The ASX 200 Accumulation Index rallied 5.0% on positive sentiment following the trade deal in December while the NZX 50 Index rallied 2.0%.

Key winners included buy now pay later provider Afterpay (+31.7%), biotech company CSL (+13.2%) and property exposures Charter Hall Group (+16.1%) and Goodman Group (+11.4%). The Fund also benefited from minimal exposure to stocks impacted by the increasing coronavirus concerns late in the month. These are primarily Chinese tourism and export orientated companies. While it is very difficult to anticipate exactly how the coronavirus situation will play out, we have been monitoring the situation closely and have positioned the Fund accordingly. We exited Sydney Airport and reduced our holding in Auckland Airport late in the month. Other changes to the Fund include reducing our position in local telco Spark NZ, miner Rio Tinto and adding to our holding in Contact Energy.

In February a large number of our holdings will report financial results for the past six months. The results provide an opportunity to reconfirm our conviction around the medium-term prospects for each holding. We continue to work hard to ensure the Fund remains positioned in stocks offering attractive returns relative to their risk and away from stocks where we see downside risk to earnings or stretched valuations.

To view Milford's February 2020 Market and Economic Review please see [milfordasset.com/fact-sheet](http://milfordasset.com/fact-sheet).

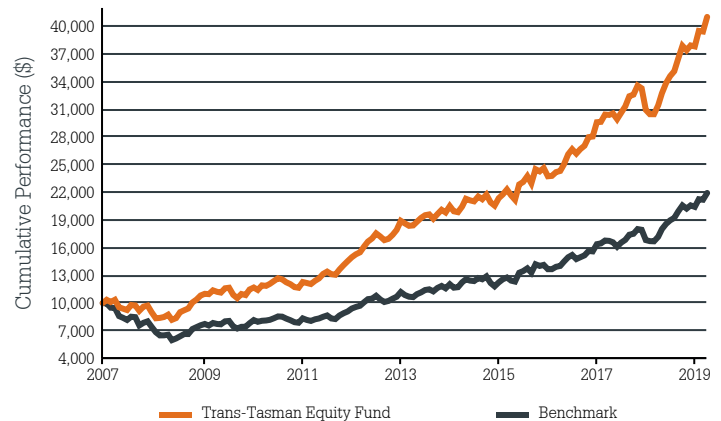
## External Ratings



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

<b>Objective<sup>1</sup></b>	Capital growth by out-performing a mix of two relevant share market indices over a minimum of five years
<b>Description</b>	Primarily invests in Australasian equities
<b>Target Allocation</b>	5% Income Assets / 95% Growth Assets
<b>Neutral FX Exposure</b>	0%
<b>Net Asset Value (NAV)</b>	\$487.9 M
<b>Buy-sell Spread</b>	None
<b>Inception Date</b>	1 October 2007
<b>Current Distribution</b>	1.5 cents per unit (Biannually)
<b>Benchmark</b>	50% x S&P/ASX 200 Accumulation Index (100% NZD-hedged) + 50% x S&P/NZX 50 Gross Index
<b>Base Fund Fee<sup>2</sup></b>	1.05%
<b>Performance Fee</b>	15% of the Fund's returns above the Benchmark <sup>1</sup> , subject to the high watermark.
<b>Total Fund Fees<sup>3</sup></b>	1.05%
<b>Risk Indicator</b>	<div style="display: flex; justify-content: space-between;"> <span>Lower risk</span> <span>Higher risk</span> </div> <div style="display: flex; justify-content: center; align-items: center;"> <span>1</span> <span>2</span> <span>3</span> <span>4</span> <span style="border: 1px solid black; padding: 2px;">5</span> <span>6</span> <span>7</span> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <span>Potentially lower returns</span> <span>Potentially higher returns</span> </div>



Investment Performance after fees as at 31 January 2020<sup>4</sup>

Unit Price: \$3.3488

	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)	4.02%	8.46%	30.51%	19.05%	14.93%	12.12%
After Tax 10.50%	3.98%	8.23%	30.05%	18.64%	14.44%	11.66%
After Tax 17.50%	3.95%	8.07%	29.75%	18.37%	14.12%	11.42%
After Tax 28.00%	3.91%	7.83%	29.30%	17.96%	13.64%	11.01%
Benchmark	3.48%	7.40%	27.67%	16.08%	12.36%	6.58%

## Top Security Holdings

Holdings	% of Fund's NAV
a2 Milk Company	7.58%
Fisher & Paykel Healthcare	6.31%
CSL	4.07%
BHP Group	3.63%
Ryman Healthcare	3.53%
Contact Energy	3.36%
Mainfreight	2.86%
Spark New Zealand	2.71%
National Australia Bank	2.69%
Infratil	2.64%

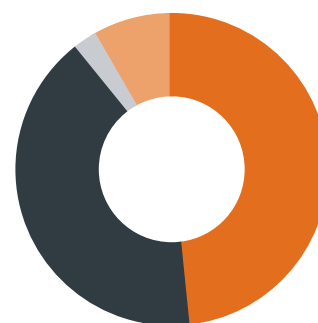
## Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	7.14%	5.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	46.81%	47.50%
Australian Equities	44.85%	47.50%
International Equities	0.00%	0%
Other	1.20%	0%

## Sector Exposure

Allocation	Weight %
Health Care	19.08%
Financials	11.43%
Consumer Staples	10.38%
Utilities	9.38%
Industrials	9.02%
Materials	8.94%
Real Estate	6.35%
Information Technology	5.40%
Other Sectors	11.68%
Cash and Other	8.34%

## Region Exposure



■ New Zealand 48.39%
 ■ Australia 40.76%
 ■ International 2.51%
 ■ Cash and Other 8.34%

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](http://milfordasset.com/fact-sheet) for more information about the data published within this document.

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