

Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 March 2020



Portfolio Managers



Sam Trethewey
Portfolio Manager



Wayne Gentle
Portfolio Manager

The Fund fell 14.2% in March. The Fund return compares to a -13.0% return for the NZX 50 index and -20.7% for the ASX 200 index. The performance of the Fund, compared to the broader market, was cushioned by our stock selection and defensive positioning early in the month.

Key contributors to the Fund's performance included large holdings in Fisher & Paykel Healthcare (+17.8% and 9.8% of the Fund) and a2 Milk (+5.5% and 11.0% of the Fund). Both have been beneficiaries of the impacts of COVID-19. a2 Milk is seeing increased demand for its infant formula products while Fisher & Paykel Healthcare supplies respiratory masks and equipment to hospitals. Elsewhere the Fund did well to avoid any significant holdings in some of the hardest hit companies. Tourism exposures all declined heavily: Auckland Airport (-36.6%), Air New Zealand (-62.6%) and Sydney Airport (-28.1%). Over the month the Fund deployed cash into select oversold opportunities, this included adding to telco exposures Spark and Chorus and Australian supermarket operator Coles. The Fund's holding in Ryman Healthcare was reduced early in the month along with trimming holdings in property exposures Goodman Group and Charter Hall.

Looking ahead we expect the near term to remain volatile as the market seeks to understand the evolving implications of COVID-19 for each company. We will continue to hunt for attractive opportunities amongst the volatility. The Fund has remained cautious towards cyclical exposures, we expect to see many companies with stretched balance sheets or cashflow issues look to raise new equity in the coming months. We have retained our bias towards quality growth exposures (like a2 Milk and Fisher & Paykel Healthcare) and defensive exposures with strong balance sheets (like Spark). We expect to remain very active, navigating through short-term volatility and ensuring the Fund remains well positioned to generate attractive returns in the medium term.

To view Milford's April 2020 Market and Economic Review please see milfordasset.com/fact-sheet.

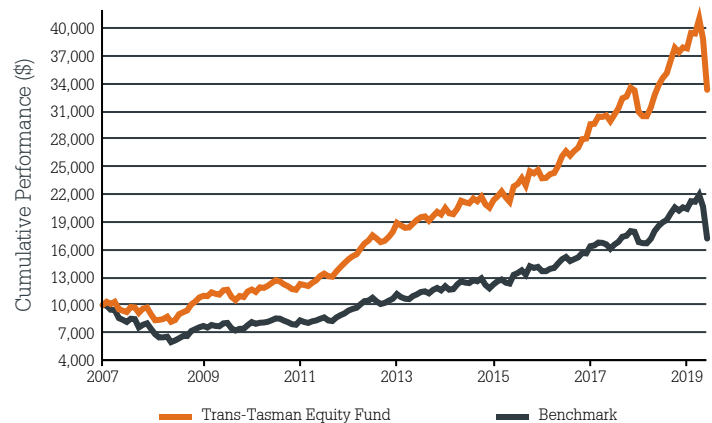
External Ratings



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)	\$375.1 M
Buy-sell Spread	None
Inception Date	1 October 2007
Current Distribution	1.5 cents per unit (Biannually)
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 March 2020⁴

Unit Price: \$2.7032

	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)	-14.22%	-15.48%	-1.53%	8.46%	9.54%	10.11%
After Tax 10.50%	-14.30%	-15.55%	-1.78%	8.11%	9.11%	9.66%
After Tax 17.50%	-14.34%	-15.60%	-1.95%	7.87%	8.83%	9.42%
After Tax 28.00%	-14.42%	-15.68%	-2.20%	7.52%	8.40%	9.02%
Benchmark	-16.72%	-18.82%	-7.39%	4.77%	6.72%	4.44%

Top Security Holdings

Holdings	% of Fund's NAV
a2 Milk Company	11.01%
Fisher & Paykel Healthcare	9.84%
CSL	5.24%
Spark New Zealand	4.80%
Mainfreight	3.77%
Xero	3.75%
Contact Energy	3.33%
Commonwealth Bank	2.71%
Transurban Group	2.55%
Woolworths	2.52%

Current Asset Allocation

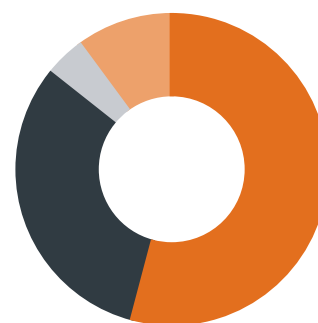
	Actual Investment Mix	Neutral Investment Mix
Effective Cash [#]	9.26%	5.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	50.75%	47.50%
Australian Equities	39.14%	47.50%
International Equities	0.00%	0%
Other	0.85%	0%

[#] The actual cash held by the Fund is 11.86%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Sector Exposure

Allocation	Weight %
Health Care	21.39%
Consumer Staples	15.16%
Utilities	9.61%
Industrials	8.81%
Financials	8.73%
Materials	8.06%
Communication Services	6.92%
Information Technology	5.39%
Other Sectors	5.82%
Cash and Other	10.11%

Region Exposure



■ New Zealand 54.12%
 ■ Australia 31.53%
 ■ International 4.24%
 ■ Cash and Other 10.11%

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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