

Global Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 September 2020



Portfolio Managers



Felix Fok
Portfolio Manager



Stephen Johnston
Co-Portfolio Manager

The Fund fell 0.6% in a down month for global share markets; the Fund outperformed the market index by 1.5%.

Key positive contributors included US aggregates company Martin Marietta (+16.0% in local currency). Despite having been a laggard, Martin is in the portfolio as a quality cyclical company that could benefit from infrastructure spending. Currently, US election odds point to a likely Democratic win which could lead to more significant fiscal spending.

Japanese 'Xero look-a-like' Freee (+35.9%) continues to exceed our expectations and has now almost quadrupled since its listing last December. Despite the disruption of the global pandemic, accounting software user growth has been strong, and the company continues to execute well. Another strong performer was French luxury goods company Kering (+10.3%), owner of brands like Gucci, Bottega Veneta and Saint Laurent. COVID-19 was the perfect storm for this sector with air travel, and therefore tourist purchases, impaired. The Fund increased its position earlier this year in anticipation of recovery.

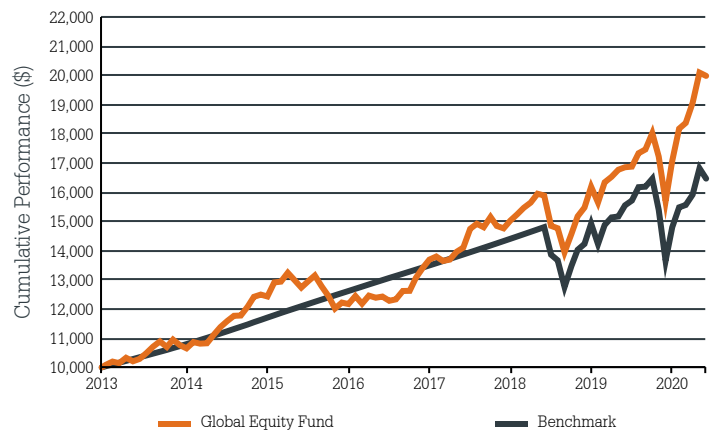
Detractors from performance included aircraft engine maker Safran (-13.0%). While Kering and Safran are both recovery plays, the former has the benefit of online shopping as a sales channel. Unfortunately, the recovery in air travel seems delayed. Alphabet (-10.1%), parent company of Google, fell on profit taking and concerns over upcoming US antitrust investigation. The Fund has slightly moderated its position in Alphabet, as well as technology companies more broadly.

The economic backdrop remains uncertain. The portfolio remains focussed on our key investment themes and dominant companies.

To view Milford's October 2020 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.

Key Fund Facts

Objective¹	Capital growth by out-performing the relevant share market index over a minimum of five years
Description	Primarily invests in international equities
Target Allocation	5% Income Assets / 95% Growth Assets
Neutral FX Exposure	50.0%
Net Asset Value (NAV)	\$836.7 M
Buy-sell Spread	None - swing pricing applies (see PDS for details)
Inception Date	12 April 2013
Benchmark	MSCI World Index with net dividends reinvested (50% NZD-hedged)
Base Fund Fee²	1.35%
Performance Fee	15% of the Fund's returns above the Benchmark ¹ , subject to the high watermark.
Total Fund Fees³	1.35%
Risk Indicator	<div style="display: flex; justify-content: space-between; align-items: center;"> Lower risk Higher risk </div> <div style="display: flex; justify-content: center; align-items: center; margin: 10px 0;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between; align-items: center;"> Potentially lower returns Potentially higher returns </div>

Investment Performance after fees as at 30 September 2020⁴

Unit Price: \$1.9776

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Global Equity Fund (Gross Of Tax)	-0.56%	8.77%	18.56%	12.31%	9.42%	9.71%
After Tax 10.50%	-0.59%	8.72%	18.38%	12.10%	9.20%	9.44%
After Tax 17.50%	-0.60%	8.69%	18.26%	11.96%	9.06%	9.26%
After Tax 28.00%	-0.63%	8.64%	18.08%	11.75%	8.84%	8.99%
Benchmark	-2.10%	5.79%	5.88%	5.89%	6.36%	6.90%

Top Security Holdings

Holdings	% of Fund's NAV
Amazon	4.27%
Microsoft Corp	3.73%
Alphabet	3.65%
Alibaba Group	3.10%
Paypal Holdings	2.95%
Apple	2.93%
Danaher	2.59%
Transunion	2.51%
Thermo Fisher Scientific	2.51%
S&P Global	2.38%

Current Asset Allocation

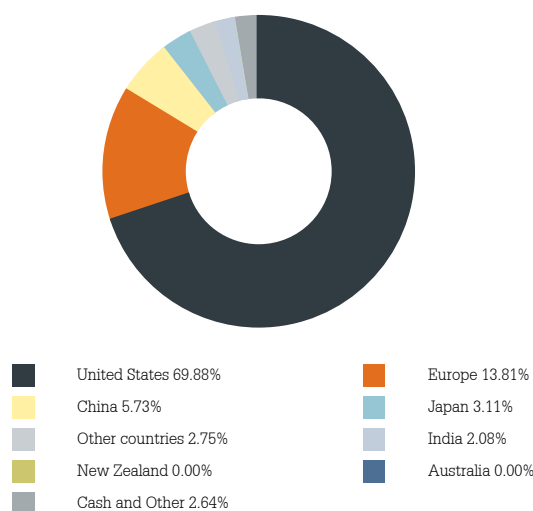
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	2.50%	5.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	0.00%	0%
Australian Equities	0.00%	0%
International Equities	97.36%	95.00%
Other	0.14%	0%

The actual cash held by the Fund is 2.99%. 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 %
Information Technology	29.30%
Consumer Discretionary	16.91%
Health Care	12.49%
Industrials	9.56%
Financials	7.92%
Communication Services	7.90%
Consumer Staples	6.02%
Materials	4.05%
Other Sectors	3.21%
Cash and Other	2.64%

Region Exposure



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. 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.

Level 28, 48 Shortland Street, Auckland
PO Box 960, Shortland Street, Auckland 1140
Free phone 0800 662 345
milfordasset.com

