

Trans-Tasman Equity Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 July 2021



Portfolio Managers



Sam Trethewey
Portfolio Manager



Wayne Gentle
Co-Portfolio Manager

The Fund returned 0.4% in July to take the 1-year return to 22.4%. This compares to a drop of 0.5% for the NZX 50 index and a 1.1% return for the ASX 200.

Highlights for the month included Mainfreight (+7.4%) and IGO Limited (+22.0%). Mainfreight held its annual shareholders meeting where the company provided an incredibly strong trading update. Profit is tracking 97% ahead of last year driven by very elevated air freight rates across the US and Asia. While the prior year was impacted by lockdowns this was significantly ahead of expectations. Pleasingly the profit growth is not all driven by price, volumes are up also indicating market share gains. Nickel and lithium miner IGO performed strongly after completing its acquisition and benefitting from solid production and rising commodity prices. During the month we took advantage of share price weakness to add to our holdings in Fletcher Building and Auckland Airport while we trimmed Contact Energy into strength.

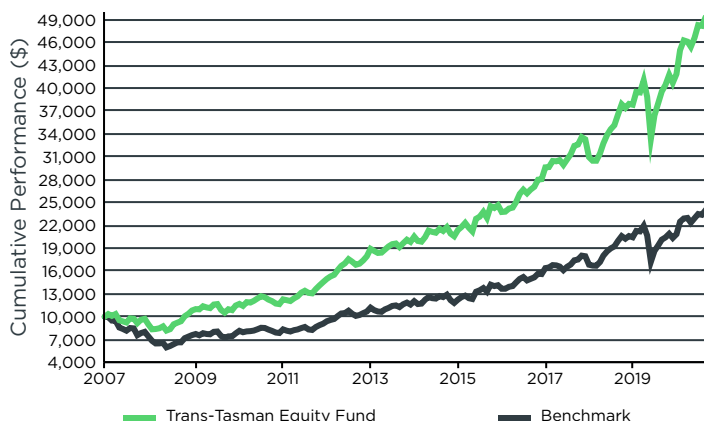
Looking ahead, the economic recovery from COVID-19 in NZ is now beginning to moderate. However, given many industries are operating at full capacity this provides us confidence that the current economic cycle in NZ will be elongated. Company visits conducted during the month continue to demonstrate inflation is present and will likely remain until borders reopen. Inflation is also becoming more evident in Australia, but repeated lockdowns are making forecasting increasingly difficult. The Australian economy is now expected to contract in the September quarter but should see a bounce when restrictions are loosened. We will be monitoring our companies' ability to pass on cost pressure in the upcoming August reporting season. We are comfortable that our portfolio companies are in a strong competitive position, managing to achieve price gains to offset cost pressure and maintain margins.

Irrespective of short-term market performance, long-term returns will be influenced by our stock selection. That is our ability to position the Fund in companies that can sustain earnings growth at above average rates (like Mainfreight, Xero and Fisher & Paykel Healthcare) and avoid those where we see stretched balance sheets, earnings or valuation risk.

To view Milford's August 2021 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

Objective¹	To provide capital growth by outperforming a mix of two relevant share market indices over the minimum recommended investment timeframe
Description	Primarily invests in Australasian equities
Minimum recommended investment timeframe	8 years
Target Allocation	5% Income Assets / 95% Growth Assets
Neutral FX Exposure	0%
Net Asset Value (NAV)	\$925.1 M
Buy-sell Spread	None - swing pricing applies (See PDS for details)
Inception Date	1 October 2007
Current Distribution	1.5 cents per unit (Biannually)
Benchmark	50% x S&P/ASX 200 Total Return Index (100% NZD-hedged) + 50% x S&P/NZX 50 Gross Index
Base Fund Fee²	1.05%
Performance Fee	15% of the Fund's returns above the Benchmark ¹ , subject to the high watermark.
Total Fund Fees³	1.05%
Risk Indicator	<div style="display: flex; justify-content: space-between; width: 100%;"> Lower risk Higher risk </div> <div style="text-align: center;"> </div> <div style="display: flex; justify-content: space-between; width: 100%;"> Potentially lower returns Potentially higher returns </div>

External Ratings



Milford Trans-Tasman Equity Fund received a Morningstar Analyst Rating™ of 'Silver' on 19-05-2021

Trans-Tasman Equity Fund as at 31 July 2021

Investment Performance after fees as at 31 July 2021⁴

Unit Price: \$3.9658

	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)	0.41%	2.46%	22.35%	14.91%	15.08%	12.25%
After Tax 10.50%	0.31%	2.31%	22.07%	14.59%	14.75%	11.83%
After Tax 17.50%	0.24%	2.21%	21.88%	14.37%	14.54%	11.61%
After Tax 28.00%	0.14%	2.06%	21.59%	14.05%	14.21%	11.23%
Benchmark	0.31%	2.38%	17.77%	11.14%	11.09%	6.54%

Top Security Holdings

Holdings	% of Fund
Fisher & Paykel	6.97%
Mainfreight	4.83%
Xero	4.52%
CSL	3.52%
Infratil	3.34%
Westpac	3.33%
BHP	2.97%
NAB	2.97%
Summerset	2.75%
Fletcher Building	2.65%

Current Asset Allocation

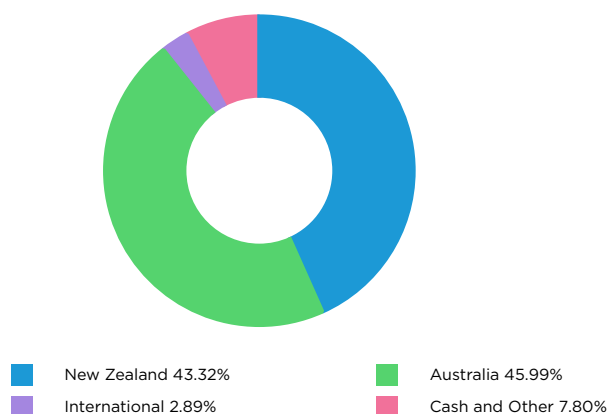
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	6.73%	5%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	41.49%	48%
Australian Equities	50.71%	48%
International Equities	0.00%	0%
Other	1.07%	0%

The actual cash held by the Fund is 8.28%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Sector Allocation

Allocation	Weight %
Health Care	17.63%
Financials	15.25%
Materials	13.95%
Industrials	11.61%
Utilities	8.87%
Consumer Discretionary	7.22%
Information Technology	7.09%
Communication Services	3.08%
Real Estate	2.98%
Consumer Staples	2.97%
Energy	1.55%
Cash and Other	7.80%

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. 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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