

# Australian Absolute Growth Fund

## Portfolio Investment Entity

### Monthly Fact Sheet as at 28 February 2025



## Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Wayne Gentle**  
Portfolio Manager



**Jason Kururangi**  
Co-Portfolio Manager

The Fund was down 3.0%, broadly ahead of the Australian equity market. Our more defensive positioning against the ASX200 helped cushion some of the volatility during the month. February was a tough month for global equity markets as markets pulled back on continued uncertainty relating to Trump's tariffs, risks of higher inflation, lower consumer spending and perceptions of slowing growth in the US.

In Australia, February was focused on a volatile reporting season. At a sector level, defensives performed the best during the month, led by utilities and telecommunications where earnings certainty was rewarded. At a stock level, key performers for the Fund this month included a2 Milk (+35.3%) on the back of better than expected results and upgraded guidance. BlueScope Steel (+16.0%) continued its strong performance as the company reported results that identified medium term cost opportunities, more prudent capital allocation and benefits from higher US steel prices. Given several strong months of gains and record gold prices we took profits on a number of our gold mining positions that have done well in the Fund. We remain medium bullish on gold and will be looking to add on pullbacks.

Key detractors included weakness from Viva Energy (-33.7%) which disappointed the market on weaker results within its convenience business, with reduced revenue from tobacco, due to illicit tobacco sales in the industry, continuing to drag on Viva Energy's profitability. Viva has given up its gains from 2021 to 2024 and we maintain a modest holding today to reflect the uncertainty in its convenience business but an attractive strategic value of its refining and commercial businesses. Insurer IAG (-12.4%) was also weak after announcing results that highlighted a slowing premium growth environment which saw the market punish their shares. Insurers have done very well for the Fund over the last few years, and we have been reducing holdings over the last six months as the insurance cycle matured.

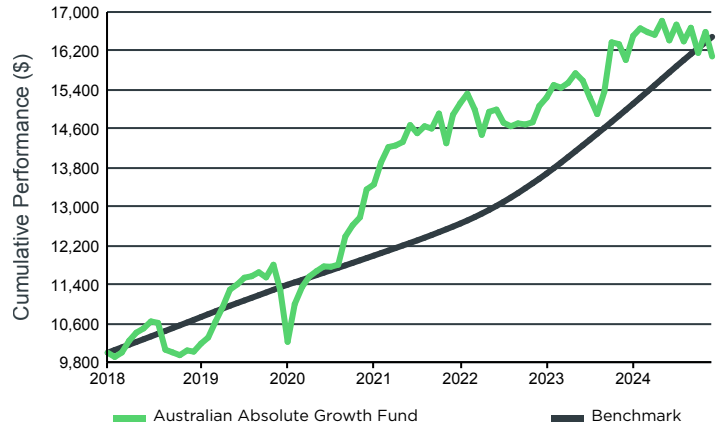
We remain constructive on the Australian economy given stimulatory fiscal policy, and our expectations for a modest interest rate cutting cycle. We do however anticipate significant volatility in markets to remain as the market continues to react to a news flow driven by the Trump presidency and potentially slower US growth rates. This backdrop when it comes to equity market performance leaves us cautious on the outlook while we walk towards an upcoming federal election in Australia. On the back of this we have entered March with what we see as a prudent invested level, having decreased our equity exposure to manage through this period of heightened volatility, adding to some defensive holdings as well as adding some downside protection to the Fund through put options.

To view Milford's February 2025 Market and Economic Review please see [milfordasset.com/insights](http://milfordasset.com/insights).

For previous fund reports see [milfordasset.com/fund-reports](http://milfordasset.com/fund-reports).

## Cumulative Fund Performance

(after fees and before tax)



Assumes the growth of \$10,000 invested at the Fund's inception date.

## Key Fund Facts

<b>Objective<sup>1</sup></b>	Targets an absolute return with an annualised return objective of 5% above the New Zealand Official Cash Rate while seeking to protect capital over rolling three year periods
<b>Description</b>	Diversified fund that primarily invests in Australasian equities, complemented by selective exposure to international equities and cash

<b>Minimum recommended investment timeframe</b>	7 years +
<b>Target Allocation</b>	17.5% Income Assets / 82.5% Growth Assets
<b>Neutral FX Exposure</b>	0%
<b>Net Asset Value (NAV)</b>	\$381.9 M
<b>Buy-sell Spread</b>	None - swing pricing applies (See PDS for details)
<b>Inception Date</b>	1 March 2018
<b>Benchmark</b>	OCR + 5% p.a.
<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>	1.25% (includes an est. performance fee)
<b>Risk Indicator</b>	<div style="display: flex; justify-content: space-between; align-items: center;"> <span>Lower risk</span> <span>Higher risk</span> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> <span>1</span> <span>2</span> <span>3</span> <span style="border: 2px solid green; border-radius: 50%; padding: 2px 5px;">4</span> <span>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>

# Australian Absolute Growth Fund as at 28 February 2025

## Investment Performance after fees as at 28 February 2025<sup>4</sup>

Unit Price: \$1.5945

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Australian Absolute Growth Fund (Gross Of Tax)	-3.04%	-3.54%	0.45%	2.61%	7.36%	7.02%
After Tax 10.50%	-3.07%	-3.48%	0.69%	2.69%	7.38%	7.00%
After Tax 17.50%	-3.09%	-3.43%	0.85%	2.74%	7.40%	6.98%
After Tax 28.00%	-3.13%	-3.37%	1.08%	2.81%	7.43%	6.95%
Benchmark	0.67%	2.19%	10.02%	9.40%	7.76%	7.40%

## Top Security Holdings

Holdings	% of Fund
BHP	4.40%
CSL	4.26%
Amcor	3.11%
Xero	3.05%
NAB	2.73%
Resmed	2.49%
Rio Tinto	2.42%
Macquarie	2.17%
CAR Group	2.16%
Origin Energy	1.99%

## Current Asset Allocation

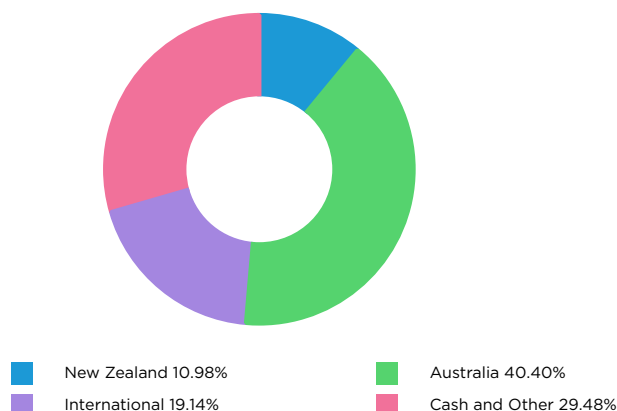
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	29.48%	7.5%
New Zealand Fixed Interest	3.22%	10%
International Fixed Interest	2.98%	0.0%
New Zealand Equities	3.20%	0.0%
Australian Equities	57.07%	77.5%
International Equities	4.05%	5%
Other	0.00%	0.0%

# The actual cash held by the Fund is 11.76%. 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 %
Materials	15.28%
Financials	13.43%
Health Care	9.89%
Real Estate	6.58%
Utilities	5.20%
Information Technology	4.89%
Energy	3.67%
Consumer Discretionary	3.46%
Other Sectors	8.12%
Cash and Other	29.48%

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

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