Australian Absolute Growth Fund (AUT)
(available to Australian tax residents only)

June 2018

MILFORD

Portfolio Managers

William Curtayne
Portfolio Manager

Wayne Gentle
Portfolio Manager

The Fund returned 1.7% in June and 5.5% for the last quarter.

Over the month we reduced our position in Bingo ahead of the release of escrowed stock in August. This release includes the CEO's $189 million shareholding, which was escrowed as part of the IPO process in May 2017. Given the 48.1% return over the last 12 months, we wouldn't begrudge some profit taking by the CEO. However, any selling by insiders can create short term uncertainty and share price volatility, so we believe it's prudent to reduce the size of our investment until this event has passed.

Growth stocks have continued to perform very strongly on the Australian market. This has pushed valuations on many of these companies to very expensive levels. Given the elevated risk from high valuations, we have reduced our exposure to growth companies.

We have reinitiated a position in NAB and CBA after completely selling out of bank shares in April. The ongoing Royal Commission has seen their share prices continue to decline. We believe they may recover some of their recent losses over the next couple of months as the fallout from the Royal Commission may not be as bearish as current market expectations.

The Fund's total equity exposure (including property) is now approximately 65%. We will be looking for a market sell-off as an opportunity to purchase back some of the growth stocks we have recently sold.

Investment Performance to June 2018 *
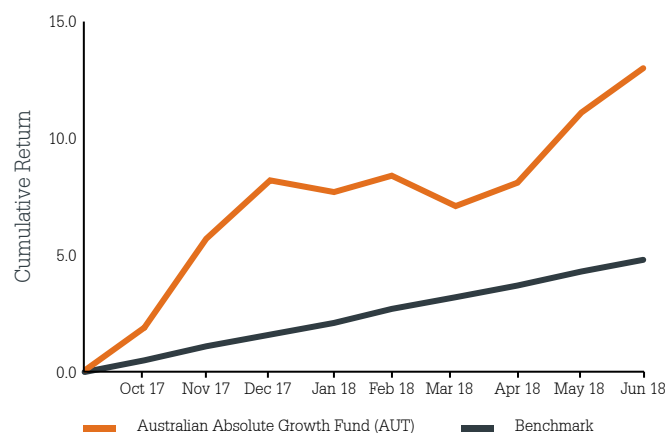
* Cumulative performance since inception, after all fees and expenses, and assumes reinvestment of distributions.

Key Fund Facts

Objective	Absolute returns with an annualised return of 5% above the benchmark while seeking to preserve investor capital
Description	A diversified portfolio of predominantly Australian equities, complemented by selective exposure to international equities, fixed interest securities and cash. May use derivatives and foreign currency hedging.
Benchmark	RBA Cash Rate + 5% p.a.
Redemption Price *as at 30 Jun*	$1.1337
NAV *as at 30 Jun*	$80.3 Million
Inception Date	October 2017
Minimum Investment	$20,000

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Recommended Investment Timeframe	5 years +
Buy-sell Spread	+/-0.20%
Entry/Exit Fee	Nil
Distribution Frequency	Annual (30 June)
Management Fee*	1.00%
Capped Expense Recovery*	0.10%
Performance Fee*	15% p.a. of returns above the benchmark subject to achieving the high watermark.
Fund Pricing	Daily

* Fees are stated exclusive of GST.

Investment Performance to June 2018 *

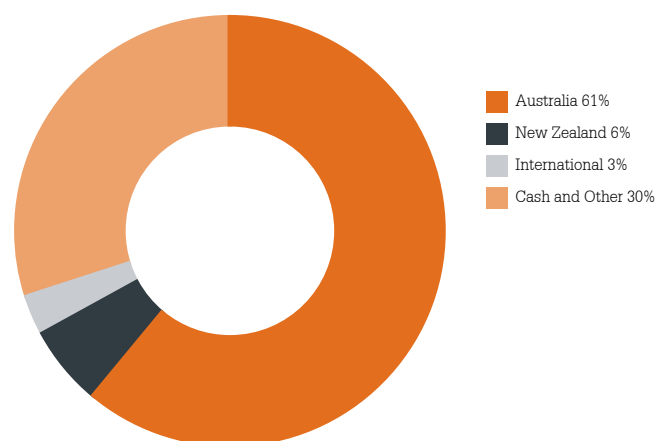|	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since Inception **
Australian Absolute Growth Fund (AUT)	1.72%	4.40%	-	-	-	12.99%
Benchmark	0.53%	3.20%	-	-	-	4.84%

* Net performance figures are shown after all fees and expenses, and assumes reinvestment of distributions.
** Inception date of the Fund is 2 October 2017

Current Asset Allocation[1]

- Equity ‡ 65%
- Fixed Income 5%
- Cash and Other 30%
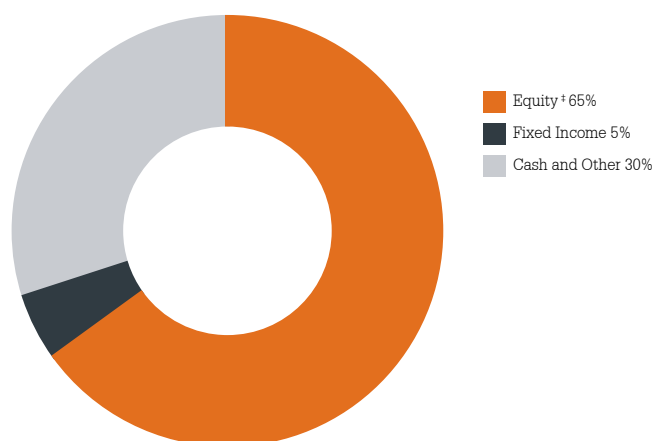
Current Country Allocation[†1]

- Australia 61%
- New Zealand 6%
- International 3%
- Cash and Other 30%

Top Security Holdings

Holdings	% of Fund's NAV
Orora	3.89%
Origin Energy	3.39%
Credit Corp Group	3.15%
Boral	2.97%
National Australia Bank	2.69%
Commonwealth Bank	2.57%
Transurban Group	2.43%
Collins Foods	2.38%
Sydney Airport	2.37%
Smartgroup Corp	2.28%

Fund Changes

There have been no material changes to the below information since the last monthly report:

- The Fund's risk profile
- The Fund's strategy

There have been no changes to the below information since the PDS was issued:

- Key service providers
- Individuals playing a key role in investment

[1] The actual investment mix incorporates the notional exposure value of equity derivatives and credit default swaps, where applicable.
‡ Equity will be the net amount, i.e. the total long less any shorts.
† Typically the country in which the company issuing the share/bond primarily operates