

Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 May 2022



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

May was a challenging month for equity markets and was really a game of two halves. Early in the month concerns around slower global growth, against a backdrop of rising interest rates and tighter financial conditions weighed on sentiment. Whilst in the second half of the month markets bounced off their recent lows. Our cautious positioning helped the Fund end with a return of -2.1% compared to the ASX 200 return of -2.6%.

Our top performer was US energy company EOG Resources which rallied 17.3% over the month with strong oil prices. Other energy names such as Santos also did well over the month.

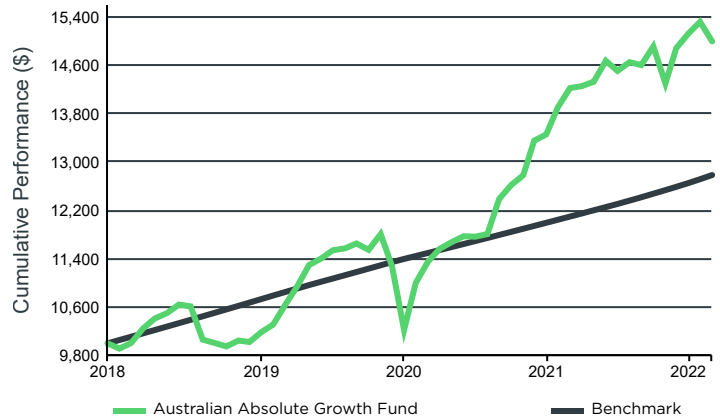
We remain cautious about equity markets more broadly as they continue to transition in an environment of higher inflation, higher interest rates and tighter liquidity. As in all market conditions we continue to actively manage positions to take advantage of opportunities as they arise. We continue to favour positions in companies with resilient earnings such as supermarkets, neighbourhood shopping centre landlords and blood plasma company CSL. As monetary policy runs its course, valuations become more attractive and allocations to equities by investors normalise, we will be able to take a more bullish stance within the Fund.

We are pleased to welcome Jason Kururangi as a co-manager to the Fund from 1 June. This is a reflection of Jason's impressive portfolio management track-record prior to joining Milford and his contribution to the Fund over the past couple of years.

To view Milford's June 2022 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	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
Description	Diversified fund that primarily invests in Australasian equities, complemented by selective exposure to international equities and cash.
Minimum recommended investment timeframe	7 years +
Target Allocation	17.5% Income Assets / 82.5% Growth Assets
Neutral FX Exposure	0%
Net Asset Value (NAV)	\$654.1 M
Buy-sell Spread	None - swing pricing applies (See PDS for details)
Inception Date	1 March 2018
Benchmark	OCR + 5% p.a.
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	1.25% (includes an est. performance fee)
Risk Indicator	Lower risk Higher risk 1 2 3 4 5 6 7 Potentially lower returns Potentially higher returns

Australian Absolute Growth Fund as at 31 May 2022

Investment Performance after fees as at 31 May 2022⁴

Unit Price: \$1.4918

	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)	-2.11%	0.74%	5.43%	12.12%	-	10.00%
After Tax 10.50%	-2.19%	0.71%	5.34%	11.95%	-	9.89%
After Tax 17.50%	-2.24%	0.69%	5.27%	11.84%	-	9.82%
After Tax 28.00%	-2.31%	0.66%	5.18%	11.67%	-	9.71%
Benchmark	0.54%	1.55%	5.68%	5.62%	-	5.95%

Top Equity Holdings

Holdings	% of Fund
CSL	7.00%
BHP	4.02%
Metcash	3.57%
Contact Energy	3.53%
NAB	3.31%
Rio Tinto	2.87%
Suncorp Group	2.84%
Santos	2.52%
Irongate	2.33%
Ampol	2.08%
Vifor Pharma	2.00%
Goodman	1.99%
Telstra	1.96%
Virgin Money	1.96%
Charter Hall Retail	1.50%
Bluescope Steel	1.49%
Newcrest Mining	1.48%
Woolworths	1.47%
Origin Energy	1.45%
Coles	1.36%

Current Asset Allocation

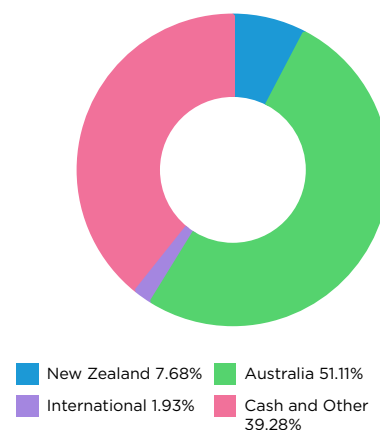
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	39.28%	7.5%
New Zealand Fixed Interest	3.84%	10.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	4.72%	7.5%
Australian Equities	49.81%	72.5%
International Equities	2.35%	2.5%
Other	0.00%	0.0%

The actual cash held by the Fund is 32.48%. 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	12.30%
Health Care	11.17%
Financials	9.65%
Real Estate	6.72%
Consumer Staples	5.91%
Energy	5.74%
Utilities	5.68%
Communication Services	1.84%
Other Sectors	1.71%
Cash and Other	39.28%

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.

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