

Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 June 2022



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

Australian shares joined the global share market rout in June as increasing fears of a global recession saw the sectors that had held the ASX 200 up year to date - banks and resources - decline 13.9% and 10.6% respectively. The Fund declined 3.5% compared to a fall by the ASX 200 of 8.7%. For the calendar year to date the Fund has fallen 2.9% against the ASX 200 decline of 9.6%. In a sharp downturn the Fund is unable to fully protect the value of your investment, but we are doing all we can to cushion the impact of the market decline as shown by the numbers above.

Key to outperforming the market last month was our minimal exposure to banks and the large iron ore miners. We only have 2.5% in Australian banks (through NAB) as we believed the market would increasingly focus on the bad debt risks of RBA interest rate hikes rather than the margin benefits.

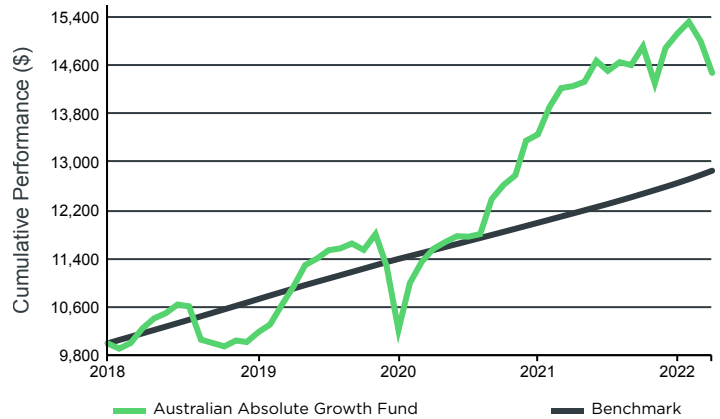
The outlook for iron ore has worsened with data showing an excess of steel inventories in China as the expected demand recovery from property in China has not eventuated as the industry expected. Steel demand is unlikely to recover quickly as property sales remain subdued, developers are sitting on record levels of unsold houses and home buyers are reluctant to make down payments on new developments given the risk of developers collapsing. Hence, we see iron ore prices continuing to fall as steel mills reduce production and iron ore miners will likely decline also.

We have increased our positions in defensive and quality companies which offer more earnings certainty as Australian growth slows further. Many of these companies managed to produce positive returns last month such as Collins Foods, ResMed, Woolworths, Coles, CSL and Ampol.

To view Milford's July 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)	\$596.4 M
Buy-sell Spread	None - swing pricing applies (See PDS for details)
Inception Date	1 March 2018
Benchmark	OCR + 5% p.a.
Base Fund Fee ²	1.05%
Performance Fee	15% of the Fund's returns above the Benchmark ¹ , subject to the high watermark.
Total Fund Fees ³	1.25% (includes an est. performance fee)

	Lower risk						Higher risk
Risk Indicator	1	2	3	4	5	6	7
	Potentially lower returns				Potentially higher returns		

Australian Absolute Growth Fund as at 30 June 2022

Investment Performance after fees as at 30 June 2022⁴

Unit Price: \$1.4396

	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)	-3.48%	-4.30%	1.54%	9.79%	-	8.91%
After Tax 10.50%	-3.56%	-4.47%	1.24%	9.63%	-	8.78%
After Tax 17.50%	-3.61%	-4.58%	1.05%	9.51%	-	8.70%
After Tax 28.00%	-3.68%	-4.74%	0.75%	9.34%	-	8.57%
Benchmark	0.56%	1.61%	5.82%	5.64%	-	5.97%

Top Equity Holdings

Holdings	% of Fund
CSL	7.67%
Irongate	4.85%
Metcash	3.78%
Contact Energy	3.59%
Telstra	3.04%
Resmed	2.89%
Coles	2.67%
NAB	2.50%
Goodman	1.98%
Vifor Pharma	1.77%
Virgin Money	1.73%
HCA Holdings	1.71%
Qantas	1.48%
Woolworths	1.48%
Aristocrat Leisure	1.40%
Charter Hall Retail	1.38%
James Hardie	1.38%
Suncorp Group	1.38%
Ampol	1.26%
Neuren Pharmaceuticals	1.21%

Current Asset Allocation

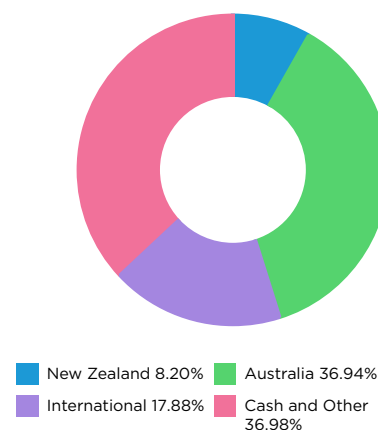
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	36.98%	7.5%
New Zealand Fixed Interest	4.43%	10.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	4.52%	7.5%
Australian Equities	39.37%	72.5%
International Equities	14.70%	2.5%
Other	0.00%	0.0%

The actual cash held by the Fund is 33.84%. 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	16.12%
Real Estate	10.54%
Consumer Staples	7.63%
Financials	6.80%
Communication Services	4.78%
Utilities	4.67%
Industrials	4.55%
Energy	2.62%
Other Sectors	5.31%
Cash and Other	36.98%

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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