

Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 April 2022



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

April saw early strength in Australian equity markets before commodity volatility led to a sharp sell-off later in the month. The Fund ended up with a return of 1.3% compared to the ASX 200 return of -0.9%. The Fund continues to exhibit lower volatility returns as we navigate an uncertain period for equities.

Our top performers were supermarkets with Metcash, Coles and Woolworths up 5.5%, 4.4% and 3.4% respectively. Not only did they benefit from investors seeking safe haven companies to own during this uncertainty, but the market is beginning to see inflation appear on supermarket shelves which we expect to be positive for their earnings.

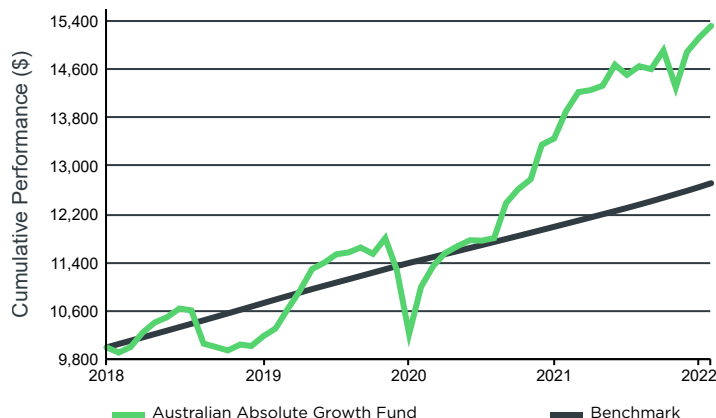
Energy companies and miners were strong for most of the month which we used as a good opportunity to take profits on positions such as Santos, IGO and Oz Minerals. China continues to navigate a difficult environment where Covid lockdowns are pressuring economic growth and policy makers have been reluctant to stimulate the economy sufficiently given debt and currency concerns. Recent policy announcements from China show more genuine intent to stimulate the economy which is encouraging.

Australia remains better placed as an economy and share market than most of the developed world, although large investors' allocations towards Australia in recent months creates downside tail risk if the outlook for Australia deteriorates. We are positioning in companies with earnings strength (commodities and supermarkets) or defensive characteristics (eg. CSL) while using market sell-offs to add preferred investments and rallies to take profits and manage risk. As monetary policy tightening runs its course and extremely high allocations to equities by investors normalise, we will be able to take a more bullish stance within the Fund.

To view Milford's May 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)	\$671.4 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 April 2022

Investment Performance after fees as at 30 April 2022⁴

Unit Price: \$1.524

	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)	1.28%	7.12%	10.15%	14.10%	-	10.78%
After Tax 10.50%	1.27%	7.12%	10.04%	13.96%	-	10.69%
After Tax 17.50%	1.25%	7.12%	9.96%	13.87%	-	10.63%
After Tax 28.00%	1.24%	7.12%	9.85%	13.73%	-	10.53%
Benchmark	0.50%	1.44%	5.57%	5.62%	-	5.94%

Top Equity Holdings

Holdings	% of Fund
CSL	6.63%
Metcash	4.34%
Evolution Mining	3.89%
Contact Energy	3.82%
Woolworths	3.54%
Telstra	3.50%
Coles	2.76%
Santos	2.56%
Virgin Money	2.39%
Newcrest Mining	2.21%
Northern Star	2.20%
Suncorp Group	2.06%
Goodman	1.77%
Ramsay Health Care	1.72%
HCA Holdings	1.71%
Bluescope Steel	1.68%
Rio Tinto	1.68%
Origin Energy	1.57%
EOG Resources	1.26%
BHP	1.24%

Current Asset Allocation

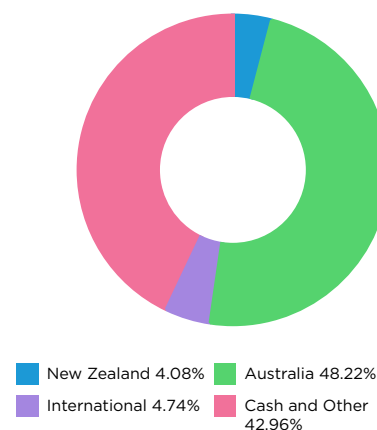
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	42.96%	7.5%
New Zealand Fixed Interest	0.00%	10.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	5.10%	7.5%
Australian Equities	49.33%	72.5%
International Equities	2.61%	2.5%
Other	0.00%	0.0%

The actual cash held by the Fund is 33.45%. 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	13.50%
Health Care	11.11%
Consumer Staples	9.45%
Utilities	5.73%
Energy	5.13%
Financials	4.06%
Communication Services	3.61%
Real Estate	3.56%
Other Sectors	0.89%
Cash and Other	42.96%

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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