

Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 April 2023



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

Global equity markets were remarkably calm in April as the volatility from the March banking crisis subsided. The ASX 200 pushed ahead 1.8% and the Fund gained 1.7%.

Earlier in the month the Fund was more invested after deploying cash during the March sell-off. This combined with some good stock picks helped the Fund keep pace with the rally over the month. Our view for 2023 remains one of caution given slowing economic growth, company earnings and inflation risks. With the Australian market approaching recent highs again, we have been selling some investments that have exceeded fair value, and increased cash levels.

Our strongest stock pick of the month was payments company Smartpay which rallied 25.0%. Smartpay continues to place more terminals in market and grow its annuity revenues. Lithium miners were strong in March, with IGO and Pilbara Minerals up 7% and 7.6% respectively. There are signs that the lithium inventory destocking cycle may be coming to an end which could see lithium prices stabilise. However, we do expect a bumpy ride for lithium miners as the bottoming of the commodity price is likely to be an elongated process.

We made further gains with our gold miners over the month, with Newcrest benefitting from a revised takeover offer from Newmont. We used this strength to reduce our gold miners as they have largely benefitted from the view that interest rates will be cut soon and we are concerned this is premature.

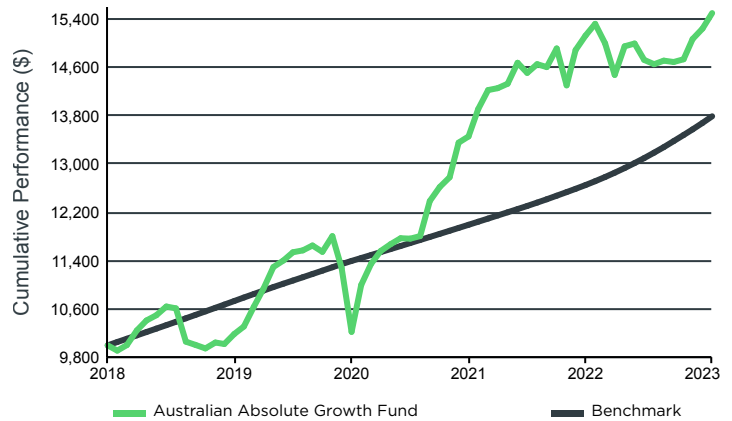
Iron ore miners bounced nearly 10% from their lows in March. However, the rebar (reinforcing) steel price in China continued to fall, which is likely a sign that the recovery in the Chinese property construction market is disappointing or at least delayed. We decided to trim our BHP and Rio Tinto positions due to this development, which proved fortunate as the iron ore price and iron ore miners' share prices quickly followed falling steel prices. We are looking for signs of the steel market bottoming before adding to positions again.

In May we expect more trading updates from companies which will give us an indication of how earnings are tracking this year and likely some more stock picking opportunities.

To view Milford's April 2023 Market and Economic Review please see milfordasset.com/insights.

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)	\$597.9 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	<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: left;">Lower risk</div> <div style="text-align: center;"> <div style="display: flex; justify-content: center; gap: 10px;"> 1 2 3 4 5 6 7 </div> </div> <div style="text-align: right;">Higher risk</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> Potentially lower returns Potentially higher returns </div>



Australian Absolute Growth Fund as at 30 April 2023

Investment Performance after fees as at 30 April 2023⁴

Unit Price: \$1.5396

	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)	1.68%	5.19%	1.16%	12.12%	9.15%	8.85%
After Tax 10.50%	1.71%	4.86%	1.26%	12.21%	9.11%	8.80%
After Tax 17.50%	1.72%	4.65%	1.33%	12.27%	9.09%	8.76%
After Tax 28.00%	1.75%	4.32%	1.43%	12.36%	9.05%	8.71%
Benchmark	0.80%	2.30%	8.45%	6.41%	6.41%	6.42%

Top Equity Holdings

Holdings	% of Fund
CSL	7.43%
Origin Energy	6.15%
Santos	3.91%
Neuren Pharmaceuticals	3.04%
BHP	2.86%
Contact Energy	2.59%
IPH	2.27%
Resmed	2.24%
Whitehaven Coal	1.99%
NAB	1.98%
SmartPay	1.53%
Teck Resources	1.50%
Suncorp Group	1.49%
Newmont Mining	1.47%
Atlas Arteria	1.23%
Pushpay	1.21%
Ampol	1.13%
Blackmores	1.03%
Telstra	1.00%
IGO	0.94%

Current Asset Allocation

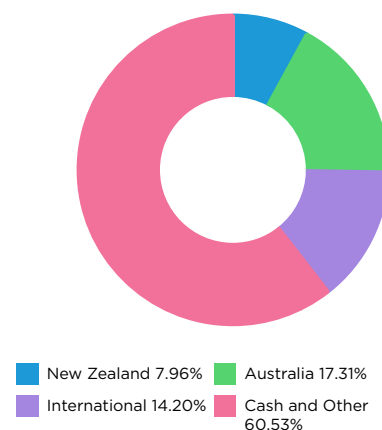
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	57.57%	7.5%
New Zealand Fixed Interest	1.79%	10%
International Fixed Interest	1.07%	0.0%
New Zealand Equities	6.36%	7.5%
Australian Equities	19.78%	72.5%
International Equities	10.47%	2.5%
Other	2.96%	0.0%

The actual cash held by the Fund is 32.09%. 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	11.11%
Utilities	9.89%
Energy	6.86%
Financials	4.73%
Materials	4.32%
Industrials	3.69%
Consumer Staples	1.25%
Government	0.00%
Other Sectors	-2.38%
Cash and Other	60.53%

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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