

Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 August 2021



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

August was yet another positive month for equities and the Fund returned 2.4%, bringing the returns over the last 12 months to 24.7%. The month was of course dominated by result releases from New Zealand and Australian companies. Overall, we saw strong results from companies but unsurprisingly some uncertainty on the outlook given the COVID-19 lockdowns in much of Australasia. Continually rising shipping costs were singled out as a key headwind for many businesses - some will be able to pass these costs on through price rises, while others will suffer some margin declines. Wage pressure is being felt in the mining industry but is only just beginning to show up in the broader economy. These factors all combine for a good stock picking environment going forward.

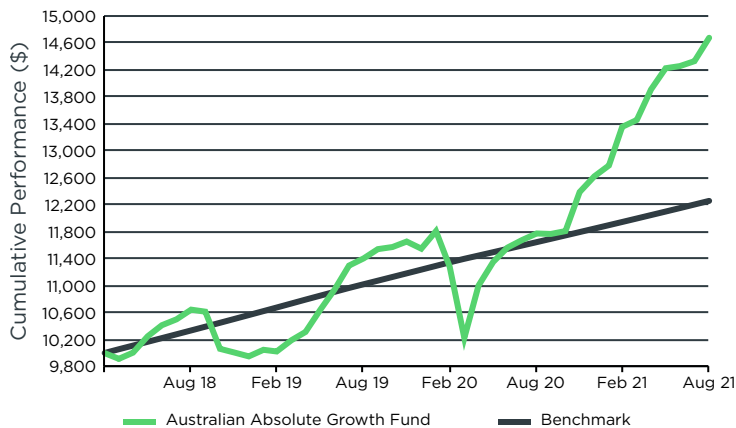
DGL was once again a highlight of the month. The dangerous goods logistics and storage business reported a strong result as customers move away from just-in-time inventory management and store more goods domestically with DGL given concerns over supply chains. We believe there is a structural shift where the COVID-19 pandemic and tensions with China will see a higher level of domestic inventories going forward.

The iron ore price fell sharply as a combination of a slowing Chinese economy, seasonal weakness, and steel manufacturing curbs ahead of the Beijing Winter Olympics in February caught up with the iron ore market. BHP was particularly weak as it also announced its intention to delist its Plc structure from the London Stock Exchange which resulted in technical weakness on the ASX. We took this opportunity to buy back into BHP after we had significantly reduced our holdings of BHP and other miners back in June.

To view Milford's September 2021 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)	\$474.7 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	1.30% (includes an est. performance fee)



Australian Absolute Growth Fund as at 31 August 2021

Investment Performance after fees as at 31 August 2021⁴

Unit Price: \$1.4609

	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)	2.42%	3.18%	24.66%	11.30%	-	11.57%
After Tax 10.50%	2.46%	3.24%	24.64%	11.20%	-	11.48%
After Tax 17.50%	2.48%	3.28%	24.63%	11.12%	-	11.43%
After Tax 28.00%	2.52%	3.35%	24.60%	11.01%	-	11.34%
Benchmark	0.44%	1.31%	5.26%	5.85%	-	5.98%

Top Equity Holdings

Holdings	% of Fund
NAB	5.83%
BHP Group	5.36%
Telstra	4.32%
CSL	3.59%
Virgin Money	3.39%
Evolution Mining	3.07%
Bank of Queensland	2.89%
Westpac	2.88%
Sydney Airport	2.53%
Charter Hall Retail	2.49%
Collins Foods	2.32%
Cleanaway Waste Management	2.03%
Aristocrat Leisure	1.88%
HomeCo REIT	1.68%
EBOS Group	1.64%
OZ Minerals	1.60%
DGL Group	1.55%
IGO	1.54%
Macquarie	1.53%
CNH Industrial	1.49%

Current Asset Allocation

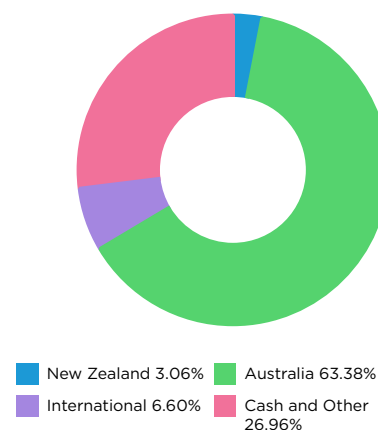
	Actual Investment Mix	Neutral Investment Mix
Effective Cash [#]	26.25%	7.5%
New Zealand Fixed Interest	0.00%	10%
International Fixed Interest	0.00%	0%
New Zealand Equities	4.36%	7.5%
Australian Equities	60.86%	72.5%
International Equities	7.82%	2.5%
Other	0.71%	0%

[#] The actual cash held by the Fund is 18.19%. 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 %
Financials	17.45%
Materials	16.43%
Industrials	10.56%
Communication Services	6.78%
Health Care	6.74%
Real Estate	6.16%
Consumer Discretionary	5.35%
Information Technology	1.75%
Energy	0.90%
Utilities	0.90%
Consumer Staples	0.02%
Cash and Other	26.96%

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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