

Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 28 February 2022



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

The Fund had a strong February rallying 4.1% compared to the ASX 200 return of 2.1%. Exposures to strong performing sectors such as energy and gold miners and avoidance of weak sectors such as IT drove most of the outperformance over the month.

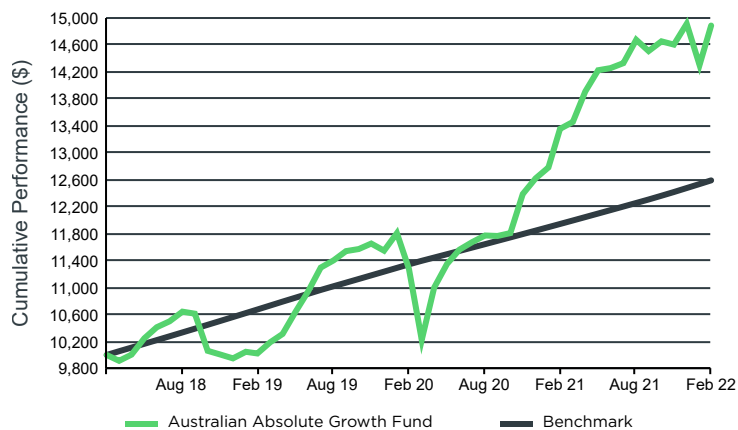
Our largest winners were gold miners Northern Star (+24.4%) and Evolution (+23.2%) and energy company Karoon (+6.8%) which were strong as the underlying commodity prices rallied. The oil and gas markets continue to tighten as demand recovers with travel and strong economic growth while new supply is only increasing incrementally. We continued to add to our energy positions ahead of the Ukraine crisis as this situation will cause further energy shortages due to the disruption in trade with Russia, which is a large energy exporter. Outside of resources, we saw strong performance from Neuren Pharmaceutical (+9.3%) and Coles (+7.3%) which produced a better-than-expected result. We have significant investments in supermarkets which we believe will benefit from the strong inflation coming through supermarket shelves.

The Funds positioning remains overall cautious with key investments in commodities, inflation beneficiaries and defensive stocks. The Ukraine crisis is likely to see further strength in already strong commodity prices and will exacerbate the inflation issue for central banks. They are likely to continue to raise interest rates to combat this inflation. A combination of higher interest rates, high inflation, and the tail off of stimulus cheques is weakening consumers and is likely to impact economic growth this year. This is a key reason for our overall cautiousness and why we will remain very active with our resources investments this year.

To view Milford's March 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)	\$624.6 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)

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

Australian Absolute Growth Fund as at 28 February 2022

Investment Performance after fees as at 28 February 2022⁴

Unit Price: \$1.4815

	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)	4.09%	1.93%	11.48%	14.09%	-	10.46%
After Tax 10.50%	4.04%	1.92%	11.49%	13.94%	-	10.35%
After Tax 17.50%	4.01%	1.92%	11.50%	13.84%	-	10.28%
After Tax 28.00%	3.96%	1.90%	11.51%	13.68%	-	10.17%
Benchmark	0.43%	1.39%	5.42%	5.65%	-	5.93%

Top Equity Holdings

Holdings	% of Fund
Woolworths	6.44%
NAB	5.47%
CSL	5.07%
Telstra	4.69%
Santos	4.63%
Metcash	3.99%
Contact Energy	3.97%
Evolution Mining	3.38%
Newcrest Mining	3.07%
Origin Energy	3.03%
EOG Resources	2.64%
Rio Tinto	2.47%
Coles	2.28%
Virgin Money	1.84%
Resmed	1.80%
Northern Star	1.78%
EBOS Group	1.74%
Charter Hall Retail	1.52%
HCA Holdings	1.28%
GQG Partners	1.25%

Current Asset Allocation

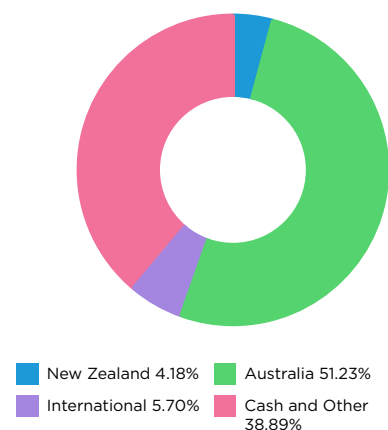
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	38.89%	7.5%
New Zealand Fixed Interest	0.00%	10.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	6.04%	7.5%
Australian Equities	49.32%	72.5%
International Equities	5.75%	2.5%
Other	0.00%	0.0%

The actual cash held by the Fund is 19.25%. 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	11.57%
Consumer Staples	10.72%
Energy	8.83%
Health Care	8.83%
Utilities	6.64%
Financials	6.54%
Real Estate	3.73%
Communication Services	3.44%
Other Sectors	0.81%
Cash and Other	38.89%

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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