

Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 28 February 2023



Portfolio Managers



William Curtayne
Portfolio Manager



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Portfolio Manager

Despite a weak month for the Australian market, the Australian Absolute Growth Fund gained 2.3% in February. This was largely driven by stock picks that performed strongly over the month of Australian company earnings releases. Key winners were our insurance companies QBE and Suncorp, refiners Ampol and Viva Energy, and Origin Energy.

The large Australian insurance companies IAG and Suncorp have an improving outlook as their competitive position has improved relative to smaller competitors. The refining companies reported strong results as a global shortage of refining capacity continues to drive high profitability. While there will be volatility in refining margins, we expect the next few years to continue to be a period of elevated profitability and attractive cash returns from Ampol and Viva.

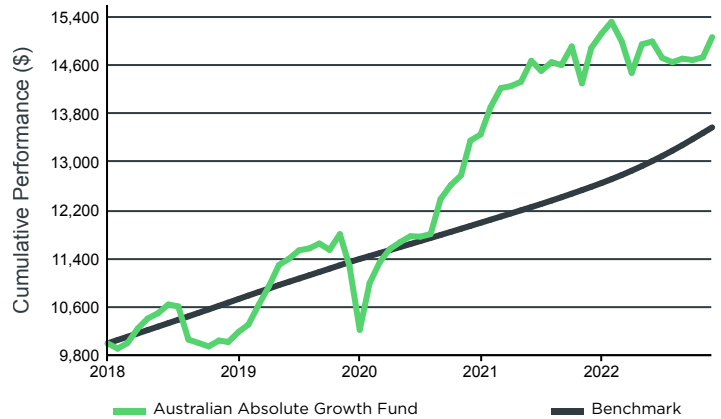
Origin Energy accepted a revised conditional takeover offer of \$8.90 (down from \$9) from the bidding consortium. This resulted in a 10% rally in Origin's share price as the market now views the takeover as likely to complete, whereas it was priced not to complete earlier in the month.

The Fund is 79% invested in companies, with a cash position of 21%. In addition to this we have Put options on the ASX 200 that are equivalent to 43% protection. This leaves the Fund with a net equity position of 36% at month end. We believe this is an optimal balance of investing approximately 80% in our preferred stock picks while having protection against market downside driven by higher interest rates, declining earnings and the risk of sudden policy changes.

To view Milford's March 2023 Market and Economic Review please see milfordasset.com/investor-centre.

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)	\$594.7 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	1.25% (includes an est. performance fee)
Risk Indicator	Lower risk Higher risk 1 2 3 4 5 6 7 Potentially lower returns Potentially higher returns



Australian Absolute Growth Fund as at 28 February 2023

Investment Performance after fees as at 28 February 2023⁴

Unit Price: \$1.4972

	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)	2.27%	2.43%	1.22%	10.14%	8.55%	8.55%
After Tax 10.50%	2.05%	2.40%	1.46%	10.20%	8.51%	8.51%
After Tax 17.50%	1.90%	2.38%	1.63%	10.23%	8.49%	8.49%
After Tax 28.00%	1.68%	2.35%	1.87%	10.28%	8.46%	8.46%
Benchmark	0.69%	2.21%	7.81%	6.17%	6.30%	6.30%

Top Equity Holdings

Holdings	% of Fund
OZ Minerals	6.76%
CSL	5.37%
Santos	5.23%
Suncorp Group	4.95%
Telstra	4.93%
QBE Insurance Group	4.00%
Woolworths	3.45%
Ampol	3.37%
Origin Energy	3.35%
Resmed	3.18%
Contact Energy	2.79%
Rio Tinto	2.77%
Coles	2.37%
IAG	2.34%
Computershare	2.16%
Viva Energy Group	1.95%
Neuren Pharmaceuticals	1.59%
Treasury Wine Estates	1.51%
SmartPay	1.29%
IPH	1.09%

Current Asset Allocation

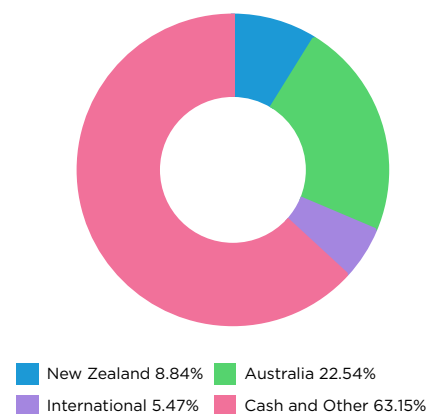
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	61.86%	7.5%
New Zealand Fixed Interest	4.23%	10%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	4.95%	7.5%
Australian Equities	26.45%	72.5%
International Equities	1.22%	2.5%
Other	1.29%	0.0%

The actual cash held by the Fund is 14.43%. 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 %
Energy	8.35%
Utilities	6.84%
Health Care	6.57%
Consumer Staples	5.59%
Financials	4.63%
Communication Services	3.22%
Information Technology	2.00%
Materials	1.91%
Other Sectors	-2.26%
Cash and Other	63.15%

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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