

Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 January 2023



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

The Fund returned 0.3% in January and has returned 3.0% over the past 12 months.

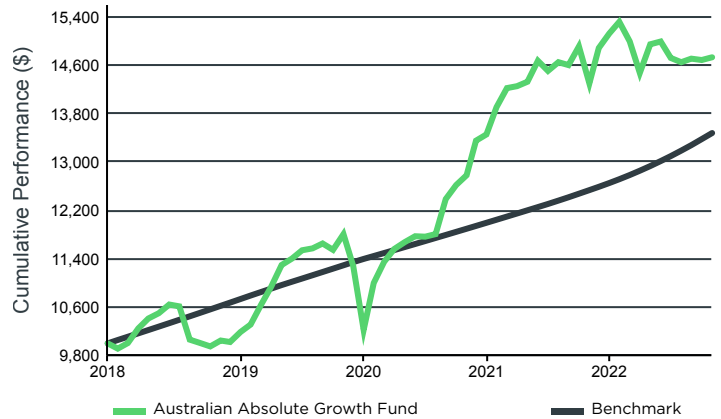
The month began with a very sharp sell-off on the first day of the year. We used this to invest nearly 10% of our cash into the market, which proved a good decision as the market rallied for the rest of the month. The rally was spurred on by positive developments in China and some global economic data that indicated a recession is not as close as feared. Therefore markets have begun to price out the risk of a recession. We trimmed our equities again into this rally over the month.

Our top performer for the month was Smartpay (+22.5%) and our worst performer was Computershare (-9.4%) which suffered on markets increasingly expecting rate cuts this year.

China has certainly recovered from Covid faster than anticipated which will support iron ore and other metals for some time. We do think this is more than priced into the valuations of miners who reacted very quickly to China's improvement. The risk of a global recession remains significant despite the market pricing this risk out. Leading economic indicators remain weak and it is likely that lagging hard indicators, such as jobs and retail sales, will soften over the coming months. Our largest sector weights remain healthcare and staples. We do anticipate a great opportunity to buy cyclical companies later this year, but patience is required for now.

To view Milford's February 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)	\$580.5 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;"> Lower risk Higher risk </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> 1 2 3 4 5 6 7 </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 31 January 2023

Investment Performance after fees as at 31 January 2023⁴

Unit Price: \$1.4641

	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)	0.31%	0.56%	3.02%	7.66%	-	8.19%
After Tax 10.50%	0.57%	0.99%	3.44%	7.75%	-	8.21%
After Tax 17.50%	0.74%	1.28%	3.72%	7.81%	-	8.21%
After Tax 28.00%	1.00%	1.71%	4.15%	7.91%	-	8.23%
Benchmark	0.75%	2.21%	7.54%	6.08%	-	6.25%

Top Equity Holdings

Holdings	% of Fund
CSL	6.71%
OZ Minerals	5.14%
Telstra	4.95%
Santos	4.83%
Ampol	4.07%
Woolworths	3.92%
Origin Energy	3.66%
Resmed	3.58%
Suncorp Group	3.52%
Coles	3.26%
Contact Energy	2.89%
Computershare	2.65%
QBE Insurance Group	2.53%
Viva Energy Group	2.08%
Neuren Pharmaceuticals	1.47%
SmartPay	1.31%
Waypoint REIT	1.24%
IPH	1.18%
Graincorp	0.86%
Endeavour Group	0.61%

Current Asset Allocation

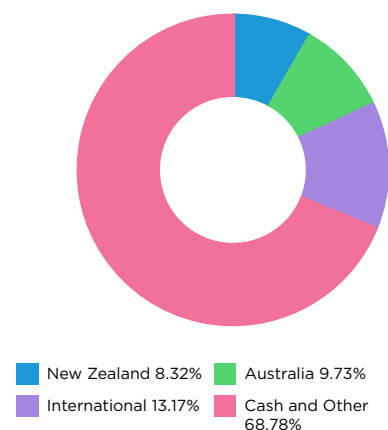
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	68.78%	7.5%
New Zealand Fixed Interest	4.38%	10%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	4.53%	7.5%
Australian Equities	21.51%	72.5%
International Equities	0.80%	2.5%
Other	0.00%	0.0%

The actual cash held by the Fund is 27.03%. 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	9.10%
Energy	8.76%
Utilities	7.22%
Consumer Staples	5.91%
Communication Services	4.02%
Information Technology	3.50%
Industrials	1.46%
Government	0.00%
Other Sectors	-8.75%
Cash and Other	68.78%

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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