

Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 January 2024



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager



Jason Kururangi
Co-Portfolio Manager

Another year is underway with a continued strong run by large technology stocks offshore in a similar vein to 2023. The ASX 200 bounced around over the month and ultimately finished with a modest gain of 1.2%. The Fund return was largely flat, with a -0.2% return, primarily as it holds less banks than the ASX 200 index. After a strong run by the Fund over the past couple of months, we are pleased with the absolute returns over the last quarter and hope to build on that this year.

Our stronger performers over the month were Smartpay, IAG and our bank shares, while our losers were largely concentrated in material stocks. These have been one of the weaker sectors in equities, driven by concerns on both global and Chinese economic growth. We had trimmed a lot of our mining exposure in BHP and RIO into the recent rally which controlled our losses in January and also gave us the opportunity to buy back in as they declined to attractive valuations. China continued to incrementally increase stimulus measures, which should support commodity prices in time.

We raised cash and trimmed our equity exposure, with markets trading near all-time highs. This is unlikely to be a long-standing cautious position, as we acknowledge the favourable back drop of reasonable US growth and low inflation (for now) does create good conditions for equities and may drive continued strength in share markets around the world. The situation is a bit more complicated in Australia where annualised inflation is running just above 4% and the RBA's February meeting shows they retain a hawkish bias. There is a risk that a more hawkish RBA relative to other central banks, and China's weak growth, causes the ASX to lag other markets over the next few months. With plenty of positives and negatives around the world for equities and quick evolving economic and geopolitical situations, we will not be stubborn in overly bullish or bearish views.

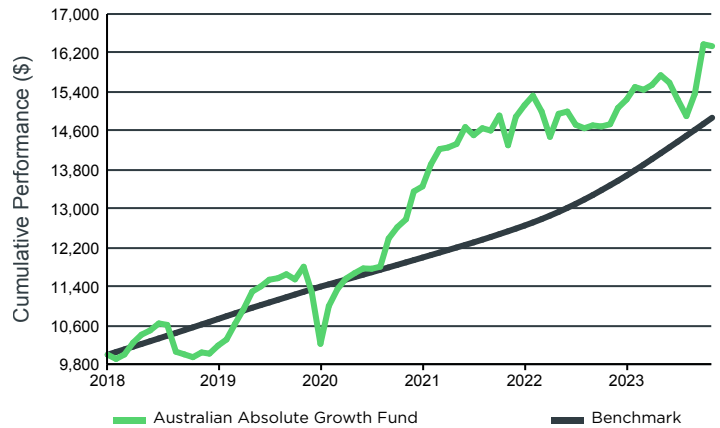
Reporting season arrives in February and will likely throw up some good stock picking opportunities which we intend to take advantage of.

To view Milford's January 2024 Market and Economic Review please see milfordasset.com/insights.

For previous fund reports see milfordasset.com/fund-reports.

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)	\$686.1 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 2024

Investment Performance after fees as at 31 January 2024⁴

Unit Price: \$1.6218

	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)	-0.23%	9.64%	10.89%	8.53%	10.21%	8.64%
After Tax 10.50%	-0.20%	9.62%	10.37%	8.54%	10.14%	8.57%
After Tax 17.50%	-0.18%	9.61%	10.02%	8.54%	10.09%	8.52%
After Tax 28.00%	-0.16%	9.59%	9.51%	8.54%	10.01%	8.44%
Benchmark	0.85%	2.55%	10.30%	7.72%	6.96%	6.93%

Top Security Holdings

Holdings	% of Fund
BHP	7.06%
Telstra	6.01%
Santos	5.38%
CSL	4.69%
Costa Group	4.23%
Rio Tinto	4.04%
NAB	3.45%
Neuren Pharmaceuticals	3.10%
Viva Energy Group	2.89%
South32	2.43%

Current Asset Allocation

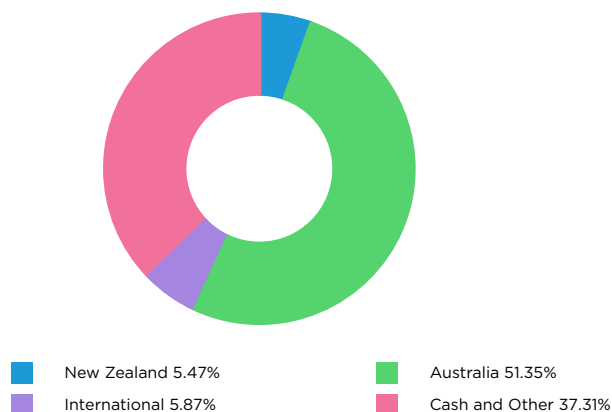
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	36.73%	7.5%
New Zealand Fixed Interest	2.10%	10%
International Fixed Interest	1.77%	0.0%
New Zealand Equities	3.21%	0.0%
Australian Equities	53.14%	77.5%
International Equities	2.47%	5%
Other	0.58%	0.0%

The actual cash held by the Fund is 19.64%. 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	15.58%
Energy	12.96%
Financials	9.40%
Health Care	9.20%
Communication Services	5.18%
Consumer Staples	3.88%
Utilities	3.28%
Industrials	1.99%
Other Sectors	1.22%
Cash and Other	37.31%

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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