

Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 June 2023



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

June saw a lot of economic developments globally, while share markets continued to be led by US equities and tech-related stocks. The Australian market rallied 1.7% and the Fund returned 0.6%.

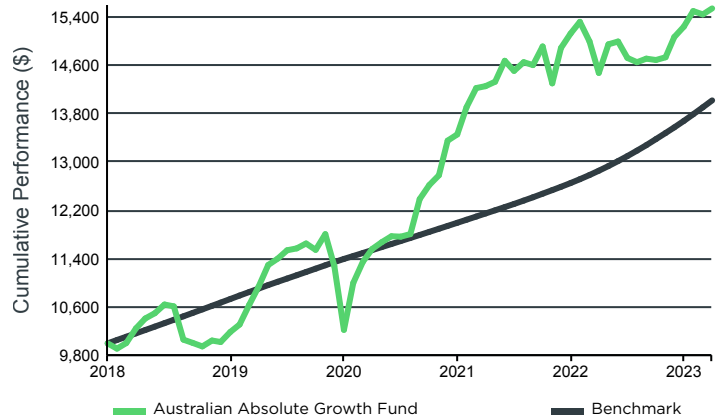
Over the month we saw a wave of Australian-listed retailer downgrades indicating stress is developing with certain cohorts of consumers. Thus far the weakness seems contained to durable goods retailers such as clothing and furniture while spending on restaurants or travel remains robust. This may be the case for a while as durable goods spending is easily deferred post the Covid lockdown binge, while many cohorts still wish (and are able) to travel and eat out. Chinese economic growth continued to disappoint, and stimulus measures so far have been minor and targeted at consumers. The share prices of miners rebounded from recent weakness on hopes of further stimulus, but the market will need to see delivery of larger stimulus or will be disappointed.

It was a relatively quiet month on the stock picking front for the Fund, with little in the way of news flow for our companies. CSL declined 9.5% following an earnings downgrade. Smartpay was strong once again and our insurance companies and miners performed well.

We increased our equity exposure modestly, as the ASX fell sharply later in the month, picking up some unloved banks and a few Real Estate Investment Trusts (REITs) given the reasonable value on offer. We also purchased some call options which worked well as the market recovered into month end. As we approach earnings reports in August, we anticipate further earnings weakness but also opportunities over this period.

To view Milford's June 2023 Market and Economic Review please see milfordasset.com/insights.

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)	\$599.9 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 30 June 2023

Investment Performance after fees as at 30 June 2023⁴

Unit Price: \$1.5437

	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)	0.64%	1.97%	7.38%	10.37%	8.34%	8.62%
After Tax 10.50%	0.70%	1.99%	7.64%	10.43%	8.28%	8.57%
After Tax 17.50%	0.74%	1.99%	7.81%	10.47%	8.24%	8.53%
After Tax 28.00%	0.80%	2.01%	8.06%	10.53%	8.17%	8.48%
Benchmark	0.82%	2.48%	9.05%	6.70%	6.53%	6.54%

Top Security Holdings

Holdings	% of Fund
NAB	6.29%
Origin Energy	5.86%
BHP	4.46%
CSL	4.05%
Teck Resources	3.96%
Santos	3.71%
ANZ	3.06%
IPH	2.95%
Blackmores	2.45%
Viva Energy Group	2.44%

Current Asset Allocation

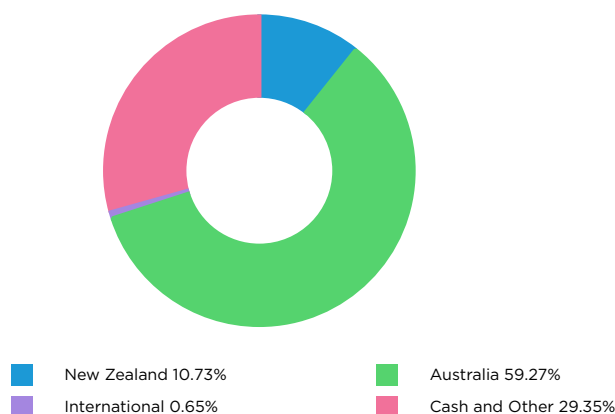
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	29.35%	7.5%
New Zealand Fixed Interest	7.11%	10%
International Fixed Interest	8.59%	0.0%
New Zealand Equities	3.11%	7.5%
Australian Equities	50.63%	72.5%
International Equities	1.21%	2.5%
Other	0.00%	0.0%

The actual cash held by the Fund is 16.52%. 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	21.31%
Materials	12.72%
Utilities	10.16%
Energy	7.75%
Industrials	6.17%
Health Care	6.07%
Consumer Staples	4.33%
Real Estate	3.74%
Other Sectors	-1.60%
Cash and Other	29.35%

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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