

# Australian Absolute Growth Fund

Portfolio Investment Entity

## Monthly Fact Sheet as at 30 June 2021



### Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Wayne Gentle**  
Portfolio Manager

The ASX 200 rose for the ninth consecutive month helping the Fund along to a 0.2% monthly gain. This completes a great first half year for the Fund with a return of 13.0%.

Hawkish comments by the Federal Reserve and a strong Australian jobs release during the month make it likely that the RBA will raise cash interest rates much earlier than its current 2024 target. Increasing interest rates are typically positive for bank margins and earnings so on the back of this we increased our position in banks over the month with purchases of ANZ, Westpac and Bank of Queensland.

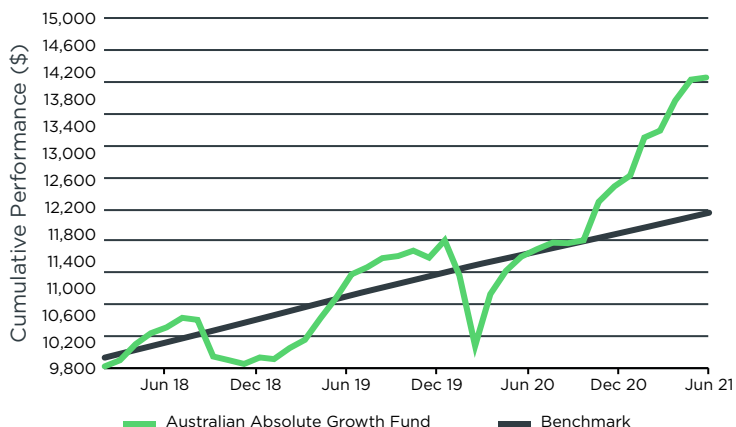
The other major positioning move over the month was the trimming of our gold and mining stocks prior to the Federal Reserve meeting which preceded a sell-off in commodities. We were anticipating US Dollar strength and commodity weakness on any hawkish statements and this proved to be correct. While medium-term we see good prospects for copper, lithium and iron ore miners, in the short-term commodities may remain under pressure as China enters its seasonally weaker demand period in July and August.

Our top contributor over the month was ResMed which we fortunately purchased prior to a product recall by competitor Philips that helped ResMed gain 20.8% over the month. Telstra was also a strong performer (+6.8%) as it divested 49% of its tower infrastructure business for an attractive price.

To view Milford's July 2021 Market and Economic Review please see [milfordasset.com/fact-sheet](http://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

#### Objective<sup>1</sup>

Absolute returns 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.

<b>Target Allocation</b>	17.5% Income Assets / 82.5% Growth Assets
<b>Neutral FX Exposure</b>	0%
<b>Net Asset Value (NAV)</b>	\$422.3 M
<b>Buy-sell Spread</b>	None - swing pricing applies (See PDS for details)
<b>Inception Date</b>	1 March 2018
<b>Benchmark</b>	OCR + 5% p.a.
<b>Base Fund Fee<sup>2</sup></b>	1.05%
<b>Performance Fee</b>	15% of the Fund's returns above the Benchmark <sup>1</sup> , subject to the high watermark.
<b>Total Fund Fees<sup>3</sup></b>	1.30% (includes an est. performance fee)



# Australian Absolute Growth Fund as at 30 June 2021

## Investment Performance after fees as at 30 June 2021<sup>4</sup>

Unit Price: \$1.4193

	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)	0.22%	5.94%	23.30%	11.04%	-	11.22%
After Tax 10.50%	0.35%	5.91%	23.56%	10.95%	-	11.15%
After Tax 17.50%	0.43%	5.89%	23.73%	10.89%	-	11.10%
After Tax 28.00%	0.55%	5.86%	23.98%	10.79%	-	11.03%
Benchmark	0.42%	1.28%	5.25%	5.93%	-	6.01%

## Top Equity Holdings

Holdings	% of Fund
Westpac	6.64%
BHP	5.45%
NAB	5.34%
ANZ	5.00%
Telstra	4.17%
CSL	3.55%
Santos	3.40%
Virgin Money	3.33%
Resmed	2.85%
Bank of Queensland	2.53%
Charter Hall Retail	2.31%
Qantas	2.27%
Seven Group	2.25%
Woodside Petroleum	2.02%
Atlas Arteria	1.78%
IGO	1.78%
Rio Tinto	1.75%
Contact Energy	1.73%
HomeCo REIT	1.55%
CNH Industrial	1.42%

## Current Asset Allocation

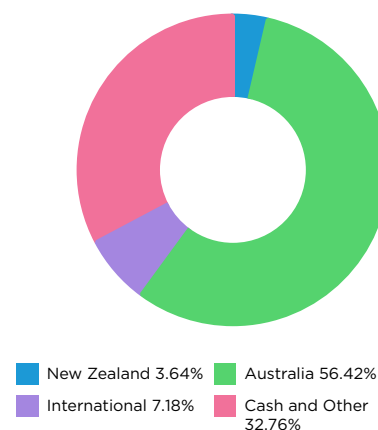
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	32.54%	7.50%
New Zealand Fixed Interest	0.00%	10.00%
International Fixed Interest	0.00%	0%
New Zealand Equities	3.38%	7.50%
Australian Equities	62.44%	72.50%
International Equities	1.42%	2.50%
Other	0.22%	0%

# The actual cash held by the Fund is 18.89%. 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	20.21%
Materials	10.67%
Industrials	7.56%
Health Care	7.04%
Energy	5.54%
Real Estate	4.64%
Communication Services	4.54%
Consumer Discretionary	3.72%
Utilities	1.60%
Information Technology	1.40%
Consumer Staples	0.32%
Cash and Other	32.76%

## 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](http://milfordasset.com/fact-sheet) for more information about the data published within this document.

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