

Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 March 2021



Portfolio Managers



William Curtayne
Portfolio Manager



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Portfolio Manager

The Australian Absolute Growth Fund returned 0.8% in March which brings returns over the last year to 31.6%.

Telstra rallied 10.4% as investors focused more on its potential valuation following the upcoming separation of its infrastructure assets next year. This is a key reason why we see still further upside in Telstra over the medium term.

We also had strong returns from US focused cyclical companies. Aristocrat (+13.1%) is benefitting from the reopening US economy while Bluescope (+16.0%) has a large North American steel business that is generating enormous levels of cash flow as margins on US steel products sustain record levels. Bluescope's Australian operations are also doing very well due to strong demand for Colorbond roofs.

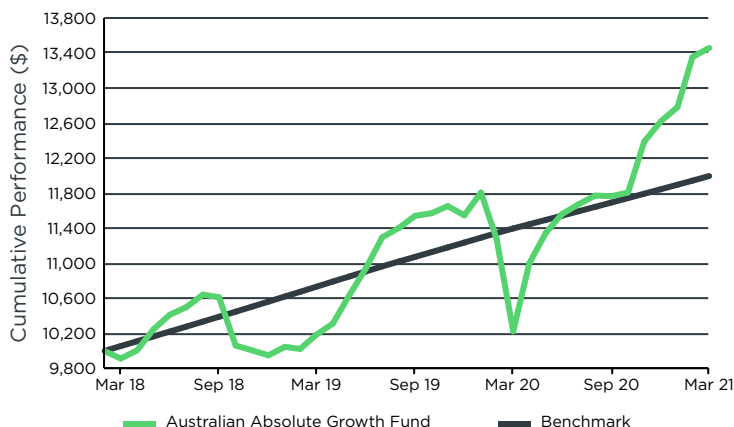
During the month we added a US listed company called CNH Industrial. CNH is the world's second largest manufacturer of large farming equipment e.g. tractors. We anticipate farming equipment sales to be extremely strong over the coming years as many agricultural commodity prices reach decade highs. This should translate to high farmer cashflows and reinvestment in farming equipment.

Our cash levels declined to 8% over the month as the pullback in various cyclicals we were waiting for occurred. In addition to CNH, we added BHP and RIO (iron ore miners), Northern Star (gold miner), Santos (natural gas), CSL (plasma products), Contact Energy and various banks that pulled back later in March.

To view Milford's April 2021 Market and Economic Review please see 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

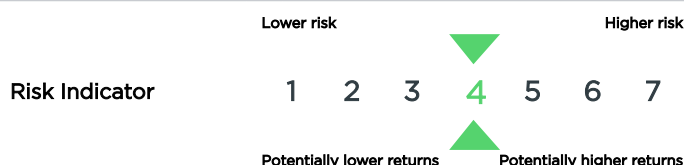
Objective¹

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.

Target Allocation	17.5% Income Assets / 82.5% Growth Assets
Neutral FX Exposure	0%
Net Asset Value (NAV)	\$324.6 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	1.50% (includes an est. performance fee)



Australian Absolute Growth Fund as at 31 March 2021

Investment Performance after fees as at 31 March 2021⁴

Unit Price: \$1.34

	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)	0.77%	6.63%	31.63%	10.72%	-	10.10%
After Tax 10.50%	1.00%	6.80%	32.28%	10.69%	-	10.04%
After Tax 17.50%	1.14%	6.91%	32.72%	10.67%	-	9.99%
After Tax 28.00%	1.37%	7.08%	33.38%	10.64%	-	9.93%
Benchmark	0.44%	1.27%	5.25%	6.06%	-	6.08%

Top Equity Holdings

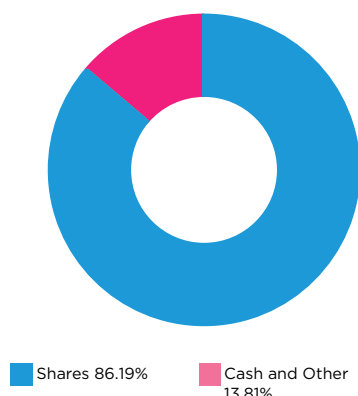
Holdings	% of Fund
NAB	6.98%
BHP	6.76%
CSL	5.76%
Rio Tinto	5.16%
Telstra	3.87%
Santos	3.48%
IGO	3.45%
Northern Star	3.13%
Charter Hall Retail	3.07%
Aristocrat Leisure	3.05%
Qantas	2.88%
Virgin Money	2.86%
CBA	2.66%
CNH Industrial	2.66%
ANZ	2.55%
Atlas Arteria	2.07%
Seven Group	1.94%
Bluescope Steel	1.82%
Genworth Mortgage	1.82%
Woodside Petroleum	1.72%

Current Asset Allocation

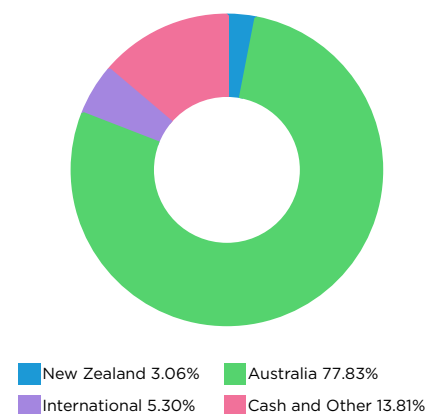
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	13.81%	7.50%
New Zealand Fixed Interest	0.00%	10.00%
International Fixed Interest	0.00%	0%
New Zealand Equities	3.16%	7.50%
Australian Equities	80.39%	72.50%
International Equities	2.64%	2.50%
Other	0.00%	0%

The actual cash held by the Fund is 7.88%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Fund Portfolio Mix



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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