

Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 March 2024



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager



Jason Kururangi
Co-Portfolio Manager

The Fund rallied 3.1% in March driven by strength in resource stocks and some technology stock picks. Loosening in financial conditions on the back of anticipated rate cuts has propped up economic growth, and in some regions – such as the US – has seen a sharp recovery in manufacturing surveys which is positive for resources. China, which to date has remained subdued, has also shown some green shoots in manufacturing data. We have been adding exposure to copper miners in addition to some aluminium, while maintaining our already significant weights in energy and gold businesses. The copper market has tightened significantly and has a positive demand outlook on AI-driven data centre construction, renewables investment and the US economic acceleration. The gold price has reached all-time highs above US\$2,200/oz on the back of strong central bank buying as an alternative to USD reserves and at least some investors seeking out inflation hedges as the US Fed seems determined to cut rates despite increasing inflation and growth. Our key resource winners last month were Newmont (+17.7%), NexGen (+9.0%), Beach Energy (+14.7%), and Santos (+9.5%).

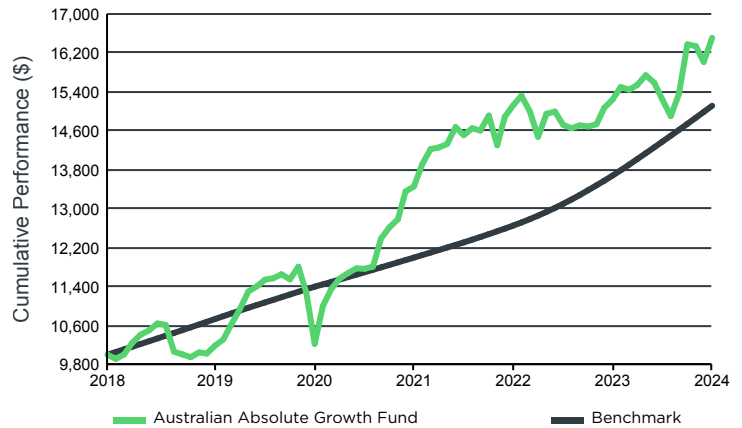
Outside of resources, some technology ideas have done well. Leading family safety and location app Life360 continued to rally as it began to add advertising to its apps, which will drive a step change in growth and earnings. Webjet rallied 26.9% as its global hotel bed aggregation business has an improving and more clear growth trajectory, while Neuren Pharmaceuticals bounced back 9.6% after a weak month in February.

The Fund is approximately 80% invested in long equities with some derivatives to manage overall risk levels. We have a sizeable position in resources where we see good value, store of wealth characteristics, improving fundamentals and favourable investor positioning dynamics. Outside of resources we have found new stock picking opportunities with step changes in growth such as Life360 and Webjet to sit alongside existing key picks such as Neuren Pharmaceuticals, general insurers and CSL. The goal of this Fund is to deliver strong returns while managing absolute downside risk and we feel the Fund positioning today balances those goals as well as we can in this market backdrop.

To view Milford's March 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)	\$705.6 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	1.25% (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 March 2024

Investment Performance after fees as at 31 March 2024⁴

Unit Price: \$1.6383

	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)	3.09%	0.81%	8.31%	7.05%	10.13%	8.58%
After Tax 10.50%	3.22%	0.96%	8.29%	7.01%	10.08%	8.53%
After Tax 17.50%	3.31%	1.06%	8.28%	6.99%	10.04%	8.50%
After Tax 28.00%	3.44%	1.20%	8.26%	6.95%	9.99%	8.45%
Benchmark	0.85%	2.52%	10.48%	8.00%	7.08%	7.02%

Top Security Holdings

Holdings	% of Fund
BHP	5.01%
Telstra	4.67%
Santos	4.52%
Viva Energy Group	4.15%
CSL	4.06%
Newmont	3.16%
Rio Tinto	3.12%
Neuren Pharmaceuticals	3.11%
Altium	3.01%
Suncorp Group	2.82%

Current Asset Allocation

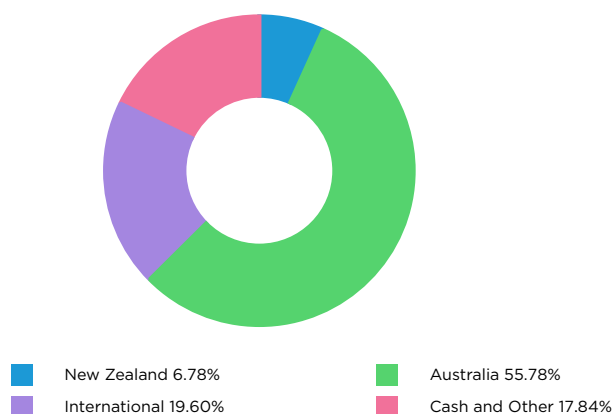
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	17.84%	7.5%
New Zealand Fixed Interest	2.18%	10%
International Fixed Interest	1.72%	0.0%
New Zealand Equities	3.18%	0.0%
Australian Equities	65.27%	77.5%
International Equities	9.81%	5%
Other	0.00%	0.0%

The actual cash held by the Fund is 6.76%. 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	27.75%
Energy	12.82%
Financials	7.68%
Health Care	7.36%
Consumer Discretionary	7.01%
Communication Services	5.93%
Information Technology	5.93%
Utilities	2.28%
Other Sectors	5.40%
Cash and Other	17.84%

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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