

Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 May 2021



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

May was a volatile but still productive month for the Australian Absolute Growth Fund which gained 2.3% over the month. This brings the return for the calendar year to 12.7%.

At the beginning of May, the ASX 200 had a strong rally driven by a lot of the cyclical names we have favoured this year, including banks and miners. With signs of some short-term overheating in commodity markets we used this opportunity to trim our position in miners BHP, RIO, IGO and Oz Minerals. We also sold out of CBA as the bank climbed sharply towards \$100 a share. Overall, the Fund retains significant positions in miners and banks through NAB, Westpac and Virgin Money UK where we have a positive medium-term view.

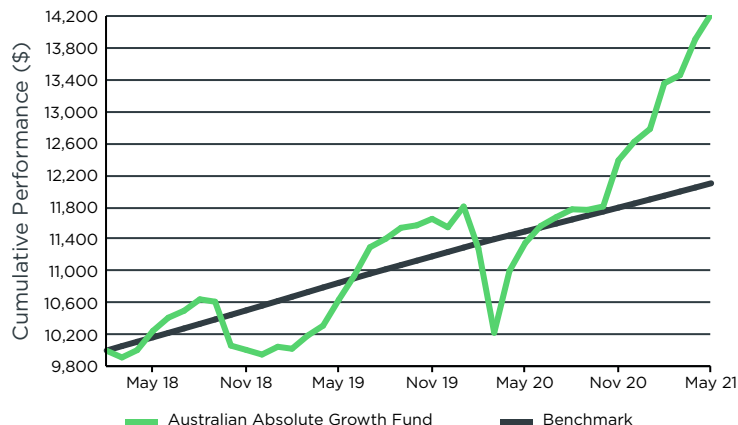
Some notable performers over the month were CSL, which rallied 7.0% as evidence emerged of improving plasma collection in the US. Tractor manufacturer CNH Industrial rallied 15.6% after reporting a strong result earlier in the month. And our gold miners were notable performers with Northern Star up 11.3% and Evolution Mining up 16.8%.

Our cash levels increased again in May as the above-mentioned profit taking in cyclicals was greater than various purchases we made in companies like Woolworths. We are comfortable with slightly more cash in the short-term as the Australian market sits at record levels and the Fund has already made strong gains this year. We will deploy the cash when attractive risk-adjusted opportunities present.

To view Milford's June 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)	\$397.7 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 May 2021

Investment Performance after fees as at 31 May 2021⁴

Unit Price: \$1.4162

	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)	2.27%	6.51%	25.32%	11.55%	-	11.44%
After Tax 10.50%	2.18%	6.59%	25.41%	11.44%	-	11.33%
After Tax 17.50%	2.12%	6.64%	25.48%	11.36%	-	11.25%
After Tax 28.00%	2.03%	6.72%	25.56%	11.25%	-	11.14%
Benchmark	0.44%	1.31%	5.25%	5.97%	-	6.04%

Top Equity Holdings

Holdings	% of Fund
NAB	6.41%
BHP	5.69%
CSL	5.57%
Woolworths	4.40%
Telstra	4.00%
Evolution Mining	3.35%
Northern Star	3.13%
Rio Tinto	3.03%
Virgin Money	2.89%
Santos	2.86%
Contact Energy	2.82%
Charter Hall Retail	2.36%
Qantas	2.35%
Westpac	2.24%
Seven Group	2.20%
IGO	2.05%
Atlas Arteria	1.74%
Bluescope Steel	1.49%
Newcrest Mining	1.48%
CNH Industrial	1.45%

Current Asset Allocation

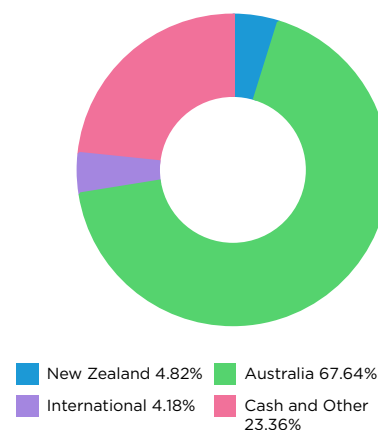
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	22.17%	7.50%
New Zealand Fixed Interest	0.00%	10.00%
International Fixed Interest	0.00%	0%
New Zealand Equities	4.16%	7.50%
Australian Equities	71.03%	72.50%
International Equities	1.45%	2.50%
Other	1.19%	0%

The actual cash held by the Fund is 16.79%. 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	20.93%
Financials	13.35%
Industrials	8.07%
Health Care	7.06%
Communication Services	4.71%
Energy	4.49%
Real Estate	4.47%
Consumer Discretionary	4.16%
Consumer Staples	4.10%
Utilities	2.77%
Information Technology	2.53%
Cash and Other	23.36%

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.

Disclaimer: The Milford Fund Fact Sheet has been prepared by Milford Funds Limited. It is based on information believed to be accurate and reliable although no guarantee can be given that this is the case. No reproduction of any material either in part or in full is permitted without prior permission. For more information about the Fund, please refer to the Production Disclosure Statement or the latest Quarterly Fund Update.