

Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 November 2020



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

The Fund had a very strong month as positive vaccine news saw share markets rise sharply. The Fund's 4.9% return in November brings the calendar year return to 6.3%.

While our defensive investments such as gold miners and Woolworths had declines over the month, we made large gains in our cyclical and value investments which included the banks, Sydney Airport, Sealink Travel and Bluescope.

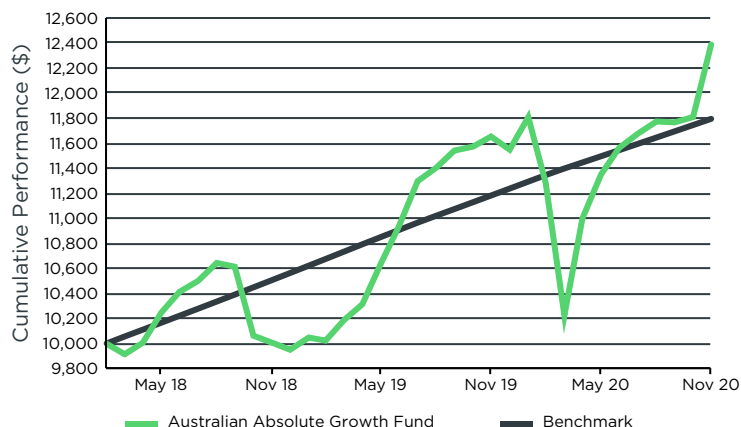
The positive vaccine news has large implications for our economic and market expectations over the coming few years which has resulted in portfolio changes over the month. Firstly, we materially reduced our gold miners as the improved economic certainty means a large gold hedge is not required. We have retained a smaller position as gold may do well again if inflation concerns flare up during the recovery.

We continued to pick up more cyclical and value investments as we see more upside from these companies despite strong gains this month. These include Virgin Money UK, insurer IAG, toll road business Atlas Arteria and miners BHP, RIO and Fortescue Metals. These companies are priced at an attractive discount to our valuation and we expect this discount to close as the economic recovery progresses.

This results in a more fully invested portfolio weighted toward beneficiaries of the economic recovery and a cash holding of 5.2%. We are comfortable with this given the improved risk outlook and investment opportunities available following the vaccine developments.

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) | \$229.5 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) |



To view Milford's December 2020 Market and Economic Review please see milfordasset.com/fact-sheet.

Australian Absolute Growth Fund as at 30 November 2020

Investment Performance after fees as at 30 November 2020⁴

Unit Price: \$1.2339

| | 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) | 4.91% | 5.22% | 6.31% | - | - | 8.08% |
| After Tax 10.50% | 4.94% | 4.91% | 5.79% | - | - | 7.87% |
| After Tax 17.50% | 4.96% | 4.70% | 5.45% | - | - | 7.72% |
| After Tax 28.00% | 5.00% | 4.38% | 4.94% | - | - | 7.50% |
| Benchmark | 0.42% | 1.28% | 5.48% | - | - | 6.18% |

Top Equity Holdings

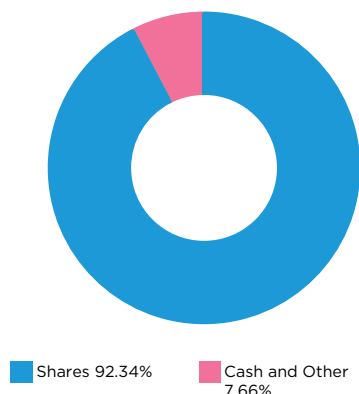
| Holdings | % of Fund's NAV |
|----------------------------|-----------------|
| National Australia Bank | 6.53% |
| BHP Group | 5.49% |
| Fisher & Paykel Healthcare | 5.00% |
| Woolworths | 4.63% |
| IAG | 3.89% |
| ANZ Banking Group | 3.69% |
| Telstra Corp | 3.45% |
| Charter Hall Retail | 3.00% |
| Wesfarmers | 2.91% |
| CSL | 2.79% |
| Spark New Zealand | 2.68% |
| Australian Finance Group | 2.43% |
| Coles Group | 2.09% |
| Sealink Travel Group | 1.96% |
| Atlas Areteria | 1.92% |
| Virgin Money UK | 1.92% |
| Ampol | 1.87% |
| Seven Group Holdings | 1.85% |
| Scentre Group | 1.74% |
| CSR | 1.65% |

Current Asset Allocation

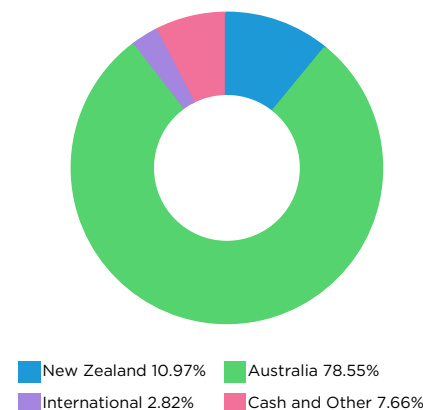
| | Actual Investment Mix | Neutral Investment Mix |
|------------------------------|-----------------------|------------------------|
| Effective Cash # | 5.22% | 7.50% |
| New Zealand Fixed Interest | 0.00% | 10.00% |
| International Fixed Interest | 0.00% | 0% |
| New Zealand Equities | 10.96% | 7.50% |
| Australian Equities | 80.38% | 72.50% |
| International Equities | 1.00% | 2.50% |
| Other | 2.44% | 0% |

The actual cash held by the Fund is 1.32%. 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.

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.