

Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 November 2023



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager



Jason Kururangi
Co-Portfolio Manager

November finally saw a reprieve for investment markets as some softening economic and inflation data allowed bond yields to fall and equity markets to rally. We were pleased to return 3.1% in the Fund over the month.

The Fund's return was helped by moving to more than 80% invested in equities at the start of the month. This decision was made due to more reasonable valuations for stocks after the recent pullback, more bearish positioning by investors (a contrarian buy signal) and a view that bond yields would moderate in the near term. As the market rally played out over the month, some positions were trimmed, reducing our equity again slightly.

We believe 2024 is unlikely to see a run-away bull market. Softening economic growth, structural inflation factors and relative attractiveness of bond yields and available cash rates make it unlikely money will continue to come into equities and sustain a rally that lasts more than two or three months. Base case for next year is a continued approximate 10% trading range in Australian equities, like we have seen this year, but with a higher risk of a downside breakout than an upside one. As such, we will likely take profits slowly on various investments and raise cash if this current rally continues over the next couple of months. Of course, various developments may change this view and we will react accordingly if so. For now, it is great to see some positive returns into year end.

Stock picking - as always - will be very important next year, particularly if the market continues to be range bound. In November our best performers were Neuren Pharmaceuticals (+44.6%) on upcoming trial results, and Collins Foods (+24.1%) on a strong result. Neuren could rally further in December or fall sharply depending on the outcome of its phase II trial results. Our largest detractors were Santos and IGO, both off approximately 10% on weaker oil and lithium prices respectively. We did not yet add to either position but will watch closely in coming months.

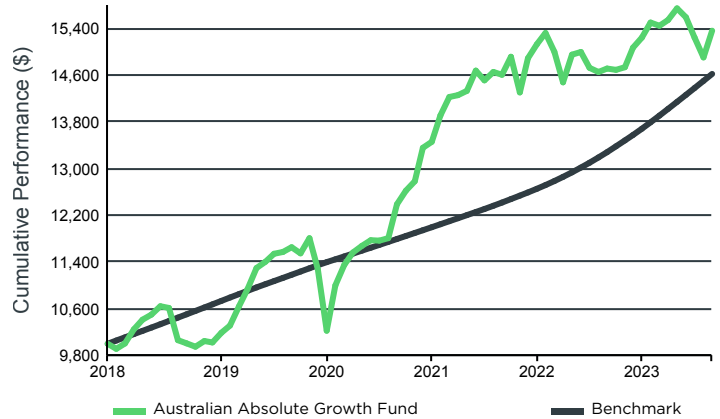
Some of the main buys over the month included adding back companies like NAB, Woolworths and Stockland post their recent weakness. Our very light exposures to those sectors allows us to do so comfortably.

To view Milford's November 2023 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)	\$575.3 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 30 November 2023

Investment Performance after fees as at 30 November 2023⁴

Unit Price: \$1.5248

	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)	3.08%	-1.47%	4.41%	7.44%	8.95%	7.75%
After Tax 10.50%	3.07%	-1.66%	4.13%	7.50%	8.91%	7.67%
After Tax 17.50%	3.07%	-1.79%	3.94%	7.53%	8.88%	7.62%
After Tax 28.00%	3.07%	-1.98%	3.66%	7.59%	8.83%	7.55%
Benchmark	0.82%	2.52%	10.09%	7.43%	6.84%	6.82%

Top Security Holdings

Holdings	% of Fund
BHP	6.57%
CSL	6.30%
Telstra	5.17%
Woolworths	4.26%
Newmont	3.90%
Santos	3.31%
Viva Energy Group	3.19%
Rio Tinto	2.76%
NAB	2.53%
Suncorp Group	2.49%

Current Asset Allocation

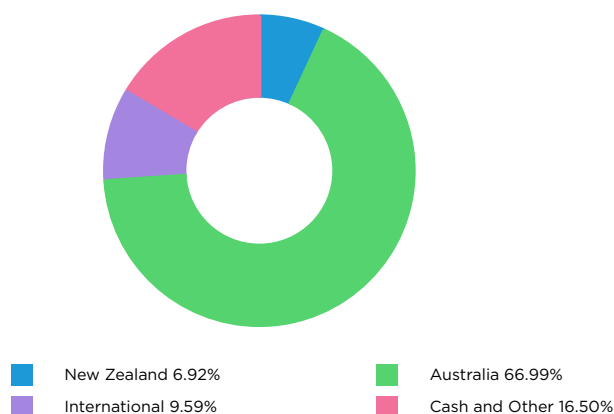
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	15.19%	7.5%
New Zealand Fixed Interest	2.28%	10%
International Fixed Interest	2.16%	0.0%
New Zealand Equities	3.28%	7.5%
Australian Equities	74.80%	72.5%
International Equities	0.98%	2.5%
Other	1.31%	0.0%

The actual cash held by the Fund is 17.63%. 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	19.08%
Financials	13.76%
Health Care	11.72%
Energy	9.19%
Consumer Staples	6.61%
Communication Services	6.24%
Real Estate	5.34%
Consumer Discretionary	4.98%
Other Sectors	6.58%
Cash and Other	16.50%

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.