

Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 October 2021



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

The Fund produced a small gain in October while the ASX 200 index ended flat after a sharp decline on the final day of the month.

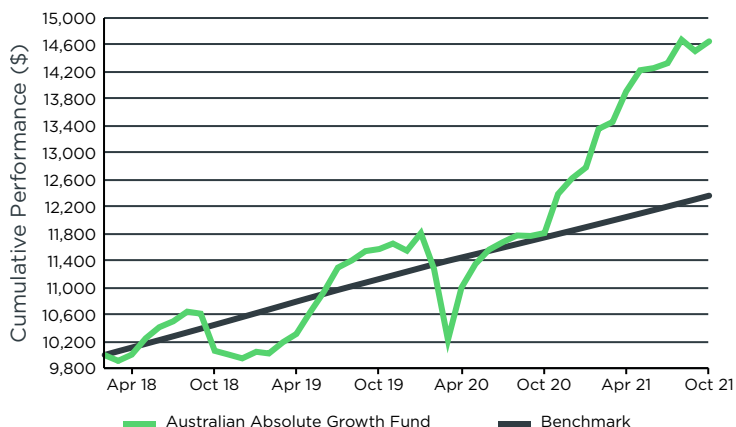
There was no single stand out performer over the month but a collection of solid contributors. Mining service operator Monadelphous rallied 10.3% as sentiment improved towards the outlook for resource activity. The continued boom in green energy related investments supported both lithium miner IGO and Macquarie bank. The lithium price continues to gain as electric vehicle adoption continues to accelerate, particularly in China. This supported the 8.6% gain in IGO which owns Australia's leading lithium mine. Macquarie (+8.7%) has a large renewables banking and investment operation that will benefit from increased investment and development of renewable energy sources.

To navigate the upcoming period of monetary stimulus withdrawal by central banks, the Fund is positioned with some notable characteristics. Firstly, we have a reasonable portion invested in inflation winners such as supermarkets, energy stocks and gold miners. Secondly, we are avoiding the overvalued and speculative stocks that are likely to suffer very large declines if the stimulus withdrawal becomes disorderly. Thirdly, while cash is up to 20% of the Fund, we remain mostly invested in equities as good companies should outperform cash in this inflationary environment and there are good stock picking opportunities. Finally, we have some derivative protection as a safety net if the market declines sharply. This should all position the Fund to do its job of generating a healthy return in stable and rising markets at lower risk levels than the broader equity market.

To view Milford's November 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

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)	\$582.5 M
Buy-sell Spread	None - swing pricing applies (See PDS for details)
Inception Date	1 March 2018
Benchmark	OCR + 5% p.a.
Base Fund Fee ²	1.05%
Performance Fee	15% of the Fund's returns above the Benchmark ¹ , subject to the high watermark.
Total Fund Fees ³	1.30% (includes an est. performance fee)

	Lower risk						Higher risk
Risk Indicator	1	2	3	4	5	6	7
	Potentially lower returns				Potentially higher returns		



Australian Absolute Growth Fund as at 31 October 2021

Investment Performance after fees as at 31 October 2021⁴

Unit Price: \$1.4585

	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)	0.99%	2.26%	24.09%	13.34%	-	10.97%
After Tax 10.50%	0.99%	2.21%	24.38%	13.26%	-	10.86%
After Tax 17.50%	0.98%	2.18%	24.58%	13.20%	-	10.79%
After Tax 28.00%	0.98%	2.14%	24.87%	13.11%	-	10.68%
Benchmark	0.45%	1.32%	5.27%	5.77%	-	5.95%

Top Equity Holdings

Holdings	% of Fund
NAB	5.39%
CSL	4.98%
Telstra	4.32%
Sydney Airport	3.53%
Woolworths	3.34%
Santos	3.15%
Virgin Money	2.91%
Evolution Mining	2.74%
Metcash	2.16%
Charter Hall Retail	1.95%
Westpac	1.94%
IAG	1.93%
Sandfire Resources	1.89%
Aristocrat Leisure	1.81%
Collins Foods	1.73%
Coles	1.69%
Bluescope Steel	1.49%
BHP Group	1.49%
EBOS Group	1.49%
Northern Star	1.49%

Current Asset Allocation

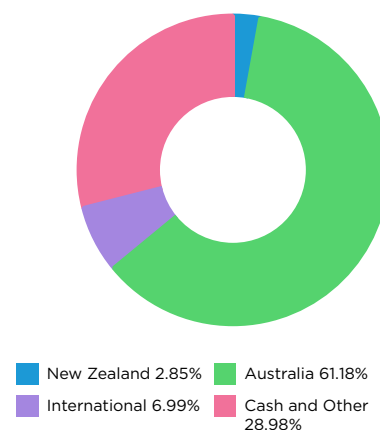
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	28.92%	7.5%
New Zealand Fixed Interest	0.00%	10%
International Fixed Interest	0.00%	0%
New Zealand Equities	3.84%	7.5%
Australian Equities	63.30%	72.5%
International Equities	3.88%	2.5%
Other	0.06%	0%

The actual cash held by the Fund is 19.22%. 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 %
Financials	14.90%
Materials	12.85%
Consumer Staples	7.07%
Industrials	6.97%
Health Care	6.90%
Energy	5.77%
Real Estate	5.27%
Communication Services	5.17%
Consumer Discretionary	4.34%
Information Technology	0.98%
Utilities	0.80%
Cash and Other	28.98%

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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