

Milford Australian Absolute Growth Fund

March 2020



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

The market sell-off that began in February continued in March, with the ASX 200 falling a further 20.7%. Due to higher cash levels, and investments in relatively better performing companies, the Fund performed defensively, but still declined 10.0% over the month.

While any fall in absolute value is disappointing, our high cash levels and relative performance gave us a great opportunity to pick up attractive investments and we should recover our capital losses much faster than the market.

Key portfolio moves over the month included:

- Selling all our energy stocks prior to the oil market rout
- Selling most of our bank exposure
- Buying supermarkets Coles and Woolworths into their early March decline
- Buying more gold miners into weakness throughout the month and adding US listed video game producers Electronic Arts and Activision-Blizzard.

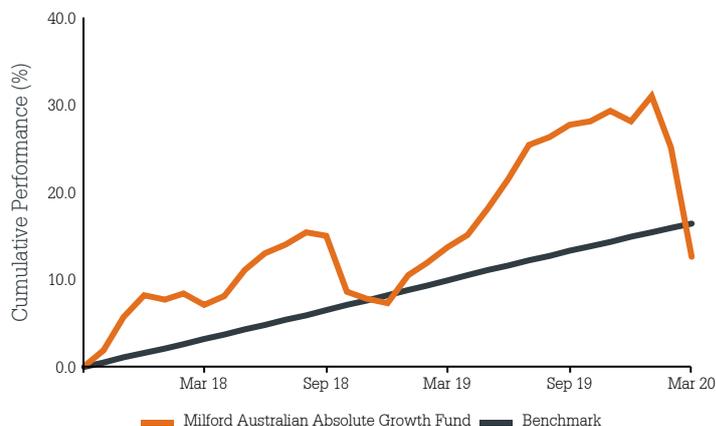
The supermarket investments did very well from our purchase level given they are some of the few companies likely to see increased earnings this year.

Likewise, our investments in a2 Milk and Fisher & Paykel Healthcare performed well as their earnings outlook improved.

We added the video game producers as we anticipate stronger earnings as more people take up video gaming during the lockdown period.

Looking forward we anticipate more volatility but will be focusing our research on beaten up stocks that are oversold.

Investment Performance to March 2020*



* Cumulative performance since inception, after all fees and expenses, and assumes reinvestment of distributions.

Key Fund Facts

Objective	Absolute returns with an annualised return of 5% above the RBA Cash Rate while seeking to preserve investor capital
Description	A diversified portfolio of predominantly Australian equities, complemented by selective exposure to international equities, fixed interest securities and cash. May use derivatives and foreign currency hedging.
Benchmark	RBA Cash Rate + 5% p.a.
Redemption Price <small>as at 31 Mar</small>	\$1.0533
NAV <small>as at 31 Mar</small>	\$94.3 Million
Inception Date	October 2017
Minimum Investment	\$20,000
Recommended Investment Timeframe	5 years +
Buy-sell Spread	+/-0.20%
Entry/Exit Fee	Nil
Distribution Frequency	Annual (30 June)
Management Fee*	1.00%
Capped Expense Recovery*	0.10%
Performance Fee*	15% p.a. of returns above the benchmark subject to achieving the high watermark.
Fund Pricing	Daily

* Fees are stated exclusive of GST.

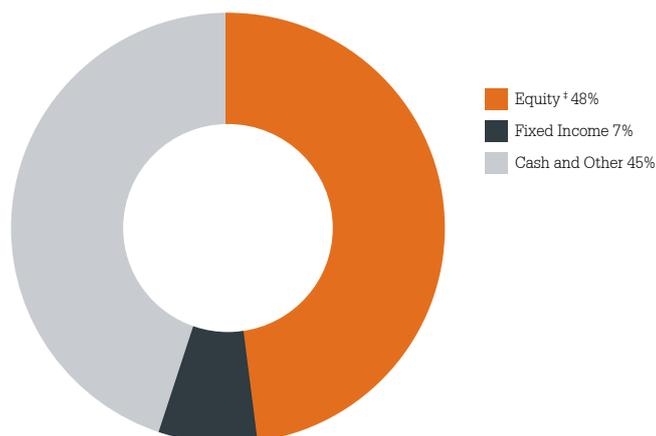
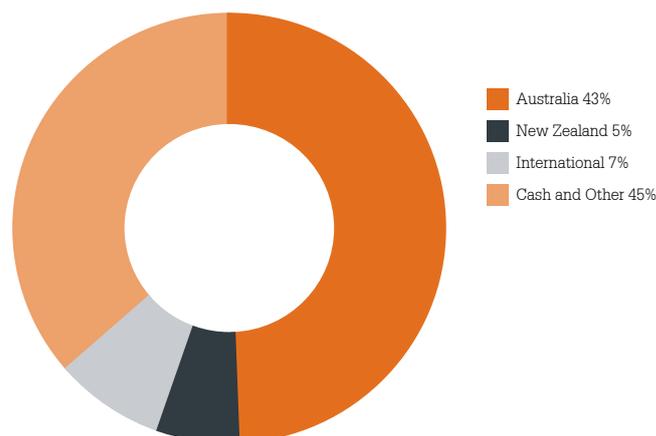
Investment Performance to March 2020^{*}

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)**
Milford Australian Absolute Growth Fund	-9.95%	-11.84%	-0.97%	-	-	4.87%
Benchmark	0.45%	2.81%	5.97%	-	-	6.30%

Past performance is not a reliable indicator of future performance.

* Net performance figures are shown after all fees and expenses, and assumes reinvestment of distributions.

** Inception date of the Fund is 2 October 2017

Current Asset Allocation¹Current Country Allocation¹

Top Security Holdings

Holdings	% of Fund's NAV
Woolworths	5.13%
Coles Group	3.66%
Evolution Mining	3.38%
a2 Milk Company	3.19%
Telstra Corp	2.91%
Saracen Mineral Holdings	2.81%
Activision Blizzard	2.67%
Newcrest Mining	2.65%
Electronic Arts	2.30%
Sealink Travel Group	1.97%

Note: Fixed interest securities are reported in the following format: Issuer name, interest (coupon rate), maturity year.

¹ The actual investment mix incorporates the notional exposure value of equity derivatives and credit default swaps, where applicable.

² Equity will be the net amount, ie the total long less any shorts.

³ Typically the country in which the company issuing the share/bond primarily operates

Fund Changes

There have been no material changes to the below information since the last monthly report:

- The Fund's risk profile
- The Fund's strategy

There have been no changes to the below information since the PDS was issued:

- Key service providers
- Individuals playing a key role in investment

Milford Australia Pty Ltd ABN 65 169 262 971
 AFSL 461253 Suite 5, Level 33, MLC Centre
 19-29 Martin Place, Sydney NSW 200
 Phone 1300 133 451 milfordasset.com.au

