

# Milford Australian Absolute Growth Fund

ETL8155AU

August 2020



## Portfolio Managers



**William Curtayne**  
Portfolio Manager



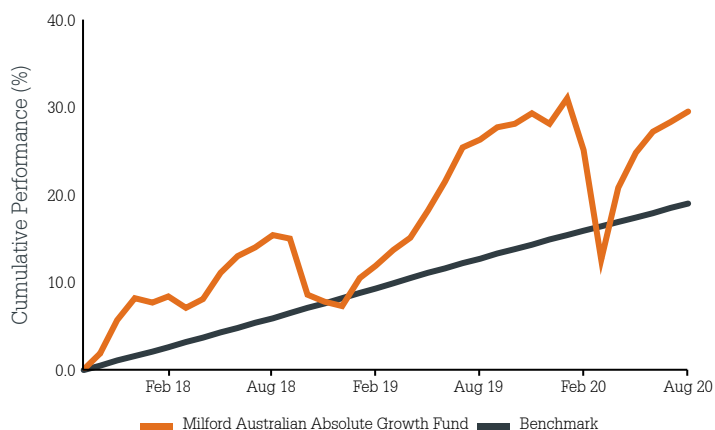
**Wayne Gentle**  
Portfolio Manager

The Fund returned 1.0% in August as equity markets continued to recover from the March sell-off. The bulk of our portfolio reported full year earnings over the month which saw some significant price moves and revealed some opportunities.

Our strongest results were from Charter Hall Group (+18.9%), Corporate Travel Management (+83.2%), Sealink Travel Group (+12.8%) and Bapcor (+13.7%). These businesses are exposed to the domestic economy and have recovered from the COVID-19 economic lockdowns faster than expected. Our weakest performances were from our gold miners which pulled back with the gold price, justifying our decision to trim our holdings last month. We also had weaker results from Insurance Australia Group (IAG) and Telstra. We sold our holding in Telstra as our thesis of an improving competitive environment looks unlikely following aggressive comments from Optus. We increased our position in IAG slightly as we think it offers attractive value and COVID-19 impacts are not as severe as the market is implying.

With the possibility of encouraging vaccine developments before the year's end, we have added some businesses that are likely to benefit from positive vaccine developments. These include CSL, Sydney Airport, Corporate Travel Management, property companies and some banks. As a result, our equity exposure continues to increase but we retain a balanced portfolio focussed on higher quality companies with strong balance sheets.

## Investment Performance to August 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, cash and cash equivalents. May use derivatives and foreign currency hedging.
Benchmark	RBA Cash Rate + 5% p.a.
mFund Code	MFA01
Redemption Price <small>as at 31 Aug</small>	\$1.1131
NAV <small>as at 31 Aug</small>	\$123.6 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.

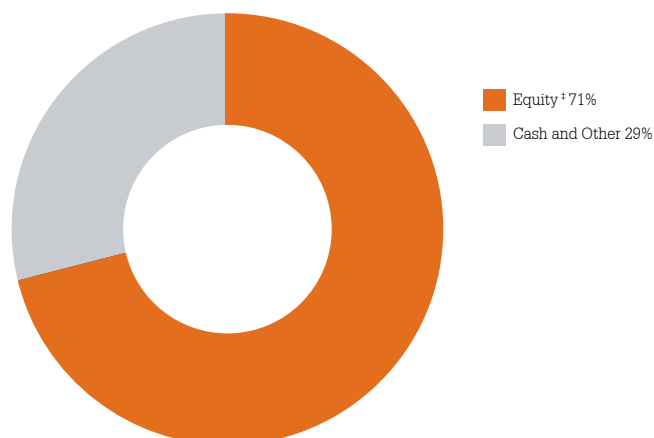
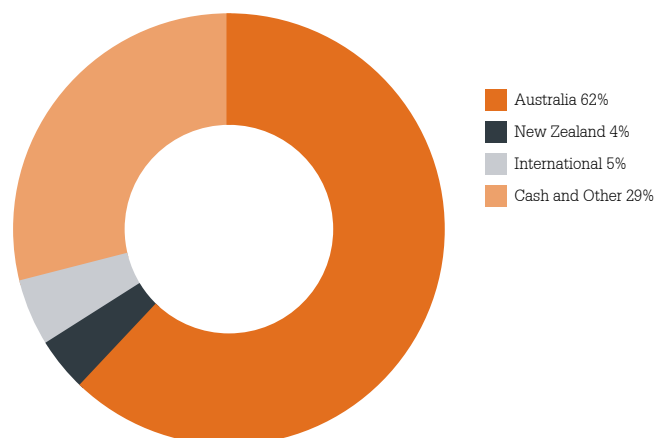
Investment Performance to August 2020<sup>\*</sup>

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)**
Milford Australian Absolute Growth Fund	0.96%	3.60%	2.56%	-	-	9.29%
Benchmark	0.44%	2.63%	5.55%	-	-	6.14%

Past performance is not 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 Allocation<sup>1</sup>Current Country Allocation<sup>1</sup>

## Top Security Holdings

Holdings	% of Fund's NAV
CSL	6.05%
Woolworths	5.90%
National Australia Bank	5.67%
Transurban Group	4.15%
BHP Group	4.10%
Mirvac Group	3.91%
ANZ Banking Group	3.64%
Newmont Mining	3.30%
GPT Group	2.87%
IAG	2.70%

## 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

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

<sup>2</sup> Equity will be the net amount, ie the total long less any shorts.

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

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