

Milford Australian Absolute Growth Fund

(ETL8155AU)



June 2020

Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

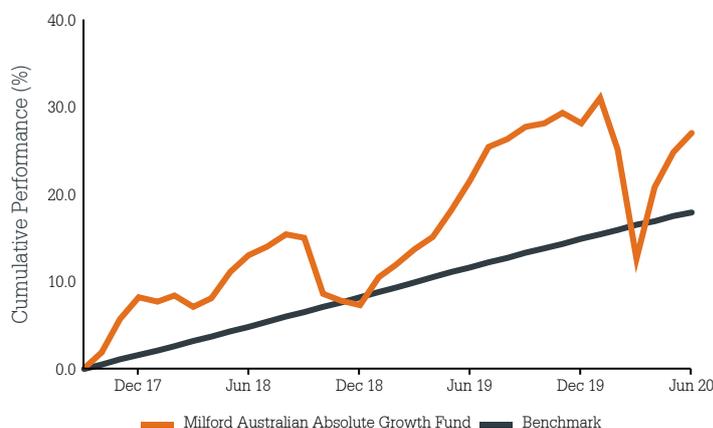
The Australian Absolute Growth Fund returned 1.7% in June as share markets continued to recover from the COVID-19 sell-off.

We had a strong performance from Fisher & Paykel Healthcare (+18.7%) which delivered a solid financial result and positive outlook on rising demand for its products to treat COVID-19 patients. Smartpay rallied 27.9% as the New Zealand Commerce Commission approved the sale of its NZ operations and it reported a strong result from its Australian business. Our supermarket investments also performed well, particularly Coles which rallied 12% over the month.

After a sustained rally, our gold miners had a pull back and were the main detractors for the month. We retain a positive view on the gold price as most currencies are devalued by creation of money by central banks' quantitative easing programs.

The recent share market recovery had been the result of virus containment, reopening of the economy, substantial stimulus, and investors reinvesting back in the market. However, we believe the economic environment remains highly uncertain. We are now faced with controlling second wave virus outbreaks, looming completion of fiscal stimulus programs, and investor positioning that is less cautious than in April and May. With this backdrop we have positioned the Fund a bit more defensively again, while retaining significant investments in high quality companies that can produce long-term returns without excessive risk.

Investment Performance to June 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 30 Jun</small>	\$1.1876
NAV <small>as at 30 Jun</small>	\$112.4 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.

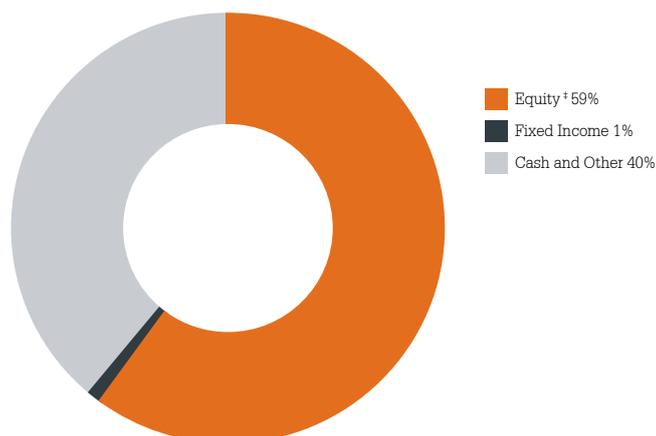
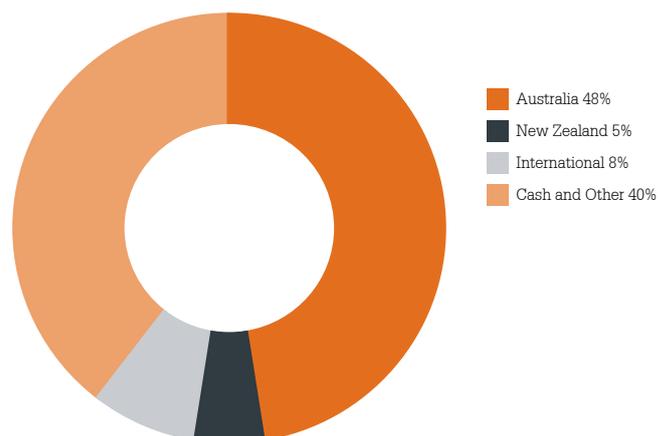
Investment Performance to June 2020¹

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)**
Milford Australian Absolute Growth Fund	1.74%	-0.90%	4.50%	-	-	9.09%
Benchmark	0.42%	2.68%	5.67%	-	-	6.20%

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	7.56%
Newmont Mining	6.08%
Telstra Corp	3.37%
Newcrest Mining	3.27%
CSL	2.99%
IAG	2.64%
Evolution Mining	2.60%
Coles Group	2.58%
Saracen Mineral Holdings	2.18%
National Australia Bank	2.14%

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.

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

¹ 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

