

# Australian Absolute Growth Fund (AUT)

(available to Australian tax residents only)



## March 2019

### Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Wayne Gentle**  
Portfolio Manager

The Fund returned 1.6% in March, which was a subdued month for the broader Australian share market. Markets continued to overlook the slowing growth outlook and draw confidence from falling long-term interest rates.

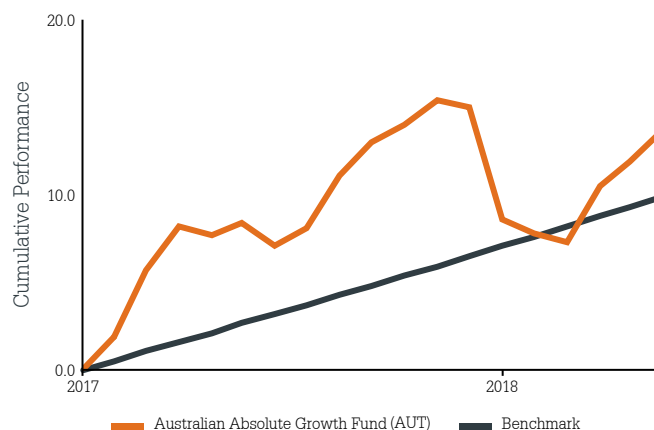
During the month we went on a research trip to China to check on the health of the economy and the outlook for commodity prices. Economic conditions appear to be stabilising after policy makers loosened monetary conditions and cut tax rates incrementally over the last year. This should support demand for iron ore – Australia's largest export – when at the same time there is a shortage of iron ore supply following the tragic collapse of a large mine tailings dam in Brazil. We increased our position in iron ore mining companies BHP and Rio Tinto following this trip.

Top contributors for the month were Contact Energy (+13.0%), Transurban (+5.9%), Collins Foods (+12.6%) and AMA Group (+16.8%). These companies benefitted from the fall in long-term interest rates and an increase in demand for defensive companies.

Weaker contributors were Commonwealth Bank (-4.5%), SmartGroup (-6.6%) and Westpac (-3.9%).

Looking forward, the upcoming Australian Federal election will be a key area of focus. Domestic conditions are slowing with the housing market weakness, but the recent increase in the iron ore price provides a large boost to the government's tax revenue which could be spent on supportive policies.

### Investment Performance to March 2019\*



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

### Key Fund Facts

<b>Objective</b>	Absolute returns with an annualised return of 5% above the RBA Cash Rate while seeking to preserve investor capital
<b>Description</b>	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.
<b>Benchmark</b>	RBA Cash Rate + 5% p.a.
<b>Redemption Price</b> <small>as at 31 Mar</small>	\$1.0892
<b>NAV</b> <small>as at 31 Mar</small>	\$87.6 Million
<b>Inception Date</b>	October 2017
<b>Minimum Investment</b>	\$20,000

<b>Recommended Investment Timeframe</b>	5 years +
<b>Buy-sell Spread</b>	+/-0.20%
<b>Entry/Exit Fee</b>	Nil
<b>Distribution Frequency</b>	Annual (30 June)
<b>Management Fee*</b>	1.00%
<b>Capped Expense Recovery*</b>	0.10%
<b>Performance Fee*</b>	15% p.a. of returns above the benchmark subject to achieving the high watermark.
<b>Fund Pricing</b>	Daily

\* Fees are stated exclusive of GST.

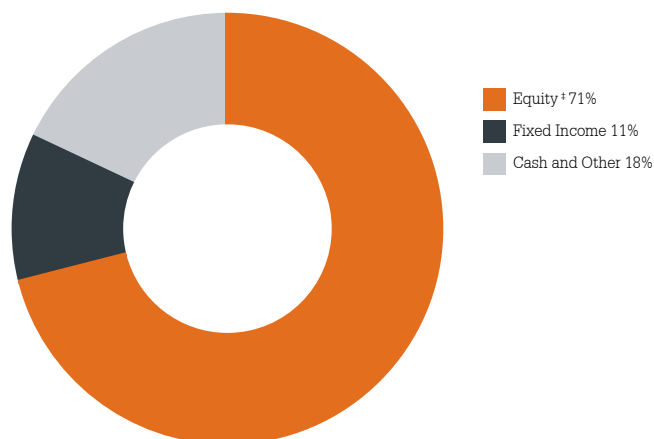
## Investment Performance to March 2019<sup>†</sup>

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)**
Australian Absolute Growth Fund (AUT)	1.59%	-1.12%	6.14%	-	-	8.97%
Benchmark	0.53%	3.20%	6.50%	-	-	6.53%

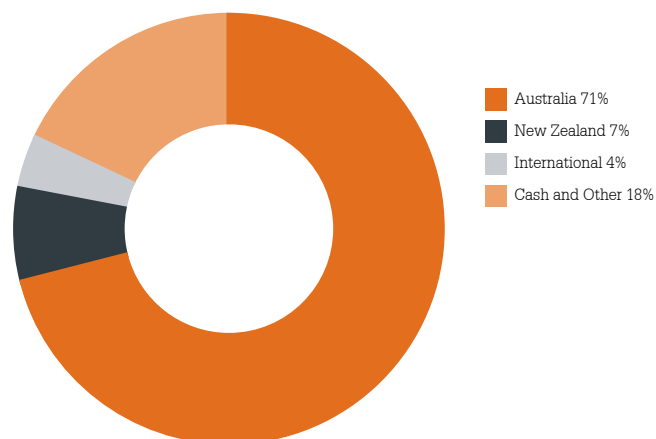
\* Net performance figures are shown after all fees and expenses, and assumes reinvestment of distributions.

\*\* 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	5.01%
Westpac Banking Corp	4.36%
National Australia Bank	3.94%
Commonwealth Bank	3.88%
Transurban Group	3.82%
Rio Tinto	3.14%
Evolution Mining	2.63%
Contact Energy	2.58%
BHP Group	2.58%
Smartgroup Corp	2.46%

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

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

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

<sup>†1</sup> 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

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