

Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 May 2019



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

The ASX 200 Index increased 1.7% in May, significantly outperforming global share markets as the surprise election result supported Australian shares. The Fund performed better again with a 3.2% return, driven by a higher exposure, compared to the market, to companies that benefited from the election result.

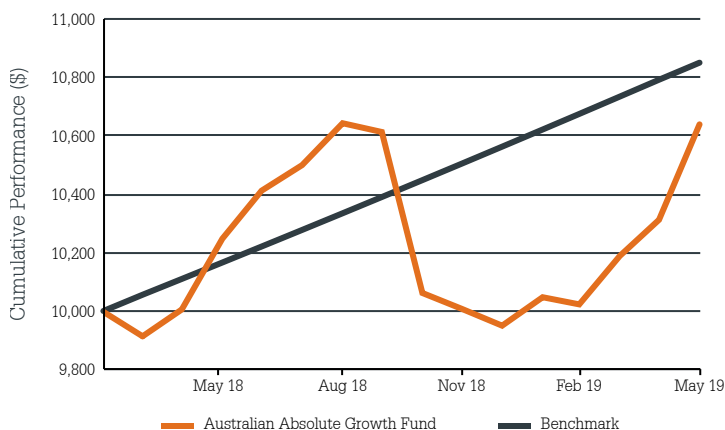
The Coalition victory is positive for sectors exposed to the Australian housing market as Labor's policies were expected to result in further house price declines. This means the housing market may already have seen its bottom, or if not, is close to it. Shares in industries exposed to housing rallied such as banks, mortgage brokers, residential developers, building materials and automotive retailers. The Fund benefited through recent purchases of bank shares and a substantial position in mortgage broker Australian Finance Group which rallied 39.6%. We also had strong returns from Evolution Mining (+21.3%) and Aristocrat Leisure (+12.9%), which reported a better than expected result.

Looking forward, the continuation of a Coalition Government should continue to benefit domestic housing related sectors which the Fund is well positioned for. However, we do not expect a substantial acceleration from the Australian economy over the next couple of years. With the strong year to date rally in Australian shares, we have cashed in gains on some of our higher-risk investments and have a portfolio strongly weighted to higher quality businesses.

To view Milford's June 2019 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	Absolute returns 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, fixed interest securities and cash
Target Allocation	17.5% Income Assets / 82.5% Growth Assets
Neutral FX Exposure	0%
Net Asset Value (NAV)	\$146.3 M
Buy-sell Spread	None
Inception Date	1 March 2018
Benchmark	OCR + 5% p.a.
Base Fund Fee²	1.05%
Performance Fee	15% of the Fund's returns above the Benchmark ¹ , subject to the high watermark.
Total Fund Fees³	1.22% (includes an est. performance fee)
Risk Indicator	<div style="display: flex; justify-content: space-between;"> Lower risk Higher risk </div> <div style="text-align: center;"> <p>1 2 3 4 5 6 7</p> </div> <div style="display: flex; justify-content: space-between;"> Potentially lower returns Potentially higher returns </div>

Investment Performance after fees as at 31 May 2019⁴

Unit Price: \$1.0616

	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)	3.17%	6.15%	3.82%	-	-	5.07%
After Tax 10.50%	3.18%	6.16%	3.88%	-	-	5.10%
After Tax 17.50%	3.18%	6.18%	3.92%	-	-	5.11%
After Tax 28.00%	3.19%	6.19%	3.98%	-	-	5.13%
Benchmark	0.54%	1.64%	6.73%	-	-	6.75%

Top Equity Holdings

Holdings	% of Fund's NAV
BHP Group	5.03%
CSL	4.75%
Commonwealth Bank	4.52%
National Australia Bank	3.80%
Transurban Group	3.62%
Rio Tinto	3.04%
Contact Energy	2.41%
Evolution Mining	2.39%
Australian Finance Group	2.26%
a2 Milk Company	2.24%

Current Asset Allocation

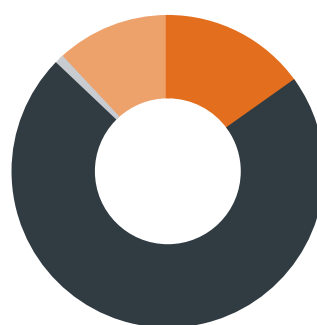
	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	11.98%	7.50%
New Zealand Fixed Interest	6.89%	4.00%
International Fixed Interest	9.23%	6.00%
New Zealand Equities	8.69%	7.50%
Australian Equities	62.36%	72.50%
International Equities	0.85%	2.50%
Other	0.00%	0.00%

Top Fixed Interest Holdings

Holdings	% of Fund's NAV
ANZ Bank Float 2022	1.15%
NAB Float 2024	0.95%
Westpac Float 2022	0.52%
NZ Govt. Inflation Indexed 2% 2025	0.48%
ASB Bank 6.65% 2024	0.38%
ANZ Bank 3.03% 2024	0.33%
ANZ Bank Float 2021	0.33%
Spark New Zealand 3.37% 2024	0.30%
BNZ 3.648% 2023	0.29%
Transpower 2.73% 2024	0.27%

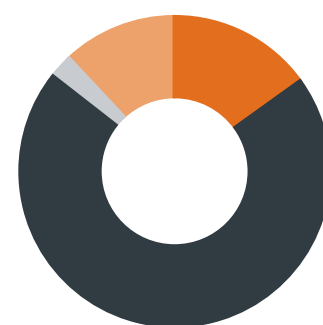
Note: Fixed interest securities are reported in the following format: Issuer name, interest (coupon rate), maturity year.

Fund Portfolio Mix



Investment Grade Bonds 15.18%
High Yield & Unrated Bonds 0.95%

Country Exposure



New Zealand 15.09%
International 2.48%
Australia 70.45%
Cash and Other 11.98%

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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