

# Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 June 2019



## Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Wayne Gentle**  
Portfolio Manager

June was another strong month for the Fund with a 2.8% return, driven by large gains by our investments in resource and high yield companies.

Our resource investments are mostly in iron ore and gold, which both performed well in June as the underlying commodities rallied. The iron ore rally was driven by shortages in supply from Brazil following dam failures earlier in the year. Our main position in BHP rallied 9.0% and we took the opportunity to reduce the large position we took following our research trip to China in March.

The US dollar gold price increased 7.7% as continued trade tensions and subdued global growth caused weakness in the US dollar and demand for alternative stores of wealth. Our main gold positions Newcrest Mining and Evolution Mining rallied 17.4% and 12.7% respectively.

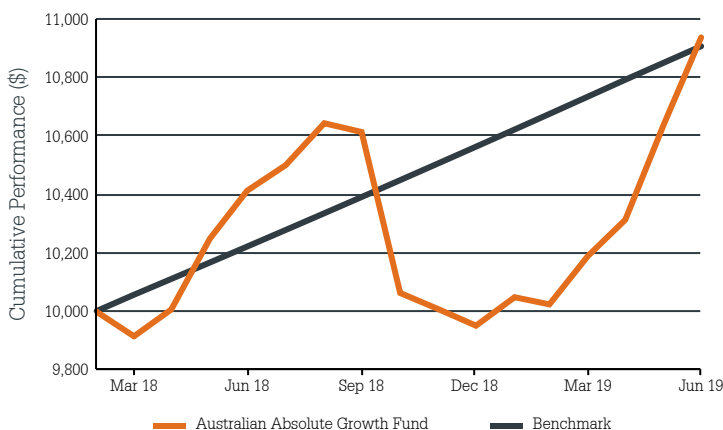
Our income generating equities continued to perform strongly on the back of lower interest rates. Top performers were Transurban (+8.0%), Contact Energy (+8.5%), Goodman Group (+13.3%) and Charter Hall (+6.6%).

Overall the portfolio maintains a reasonable exposure to equities which we expect to be supported by record low interest rates in Australia and New Zealand. The portfolio is weighted to higher quality and income producing equities with select investment in growth companies and cyclical companies such as the mining firms.

To view Milford's July 2019 Market and Economic Review please see [milfordasset.com/fact-sheet](http://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

<b>Objective<sup>1</sup></b>	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.
<b>Description</b>	Diversified fund that primarily invests in Australasian equities, complemented by selective exposure to international equities, fixed interest securities and cash
<b>Target Allocation</b>	17.5% Income Assets / 82.5% Growth Assets
<b>Neutral FX Exposure</b>	0%
<b>Net Asset Value (NAV)</b>	\$150.4 M
<b>Buy-sell Spread</b>	None
<b>Inception Date</b>	1 March 2018
<b>Benchmark</b>	OCR + 5% p.a.
<b>Base Fund Fee<sup>2</sup></b>	1.05%
<b>Performance Fee</b>	15% of the Fund's returns above the Benchmark <sup>1</sup> , subject to the high watermark.
<b>Total Fund Fees<sup>3</sup></b>	1.22% (includes an est. performance fee)
<b>Risk Indicator</b>	<div style="display: flex; justify-content: space-between;"> <span>Lower risk</span> <span>Higher risk</span> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> <span>1</span> <span>2</span> <span>3</span> <span style="border: 1px solid orange; padding: 2px;">4</span> <span>5</span> <span>6</span> <span>7</span> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <span>Potentially lower returns</span> <span>Potentially higher returns</span> </div>

## Investment Performance after fees as at 30 June 2019<sup>4</sup>

Unit Price: \$1.0913

	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)	2.80%	7.34%	5.04%	-	-	6.94%
After Tax 10.50%	2.73%	7.35%	4.96%	-	-	6.91%
After Tax 17.50%	2.68%	7.36%	4.90%	-	-	6.89%
After Tax 28.00%	2.61%	7.37%	4.81%	-	-	6.85%
Benchmark	0.52%	1.61%	6.71%	-	-	6.73%

### Top Equity Holdings

Holdings	% of Fund's NAV
CSL	4.75%
Commonwealth Bank	4.03%
National Australia Bank	3.67%
BHP Group	3.51%
Transurban Group	3.31%
a2 Milk Company	2.56%
Contact Energy	2.55%
Orora	2.21%
Aristocrat Leisure	2.19%
Australian Finance Group	1.98%

### Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	13.74%	7.50%
New Zealand Fixed Interest	6.51%	4.00%
International Fixed Interest	9.12%	6.00%
New Zealand Equities	9.24%	7.50%
Australian Equities	60.21%	72.50%
International Equities	0.93%	2.50%
Other	0.25%	0%

### Top Fixed Interest Holdings

Holdings	% of Fund's NAV
ANZ Bank Float 2022	0.92%
NAB Float 2024	0.91%
Westpac Float 2022	0.51%
NZ Govt. Inflation Indexed 2% 2025	0.47%
ANZ Bank 3.03% 2024	0.41%
BNZ 3.648% 2023	0.38%
ANZ Bank Float 2021	0.31%
Spark New Zealand 3.37% 2024	0.29%
Transpower 2.73% 2024	0.26%
Vector 3.45% 2025	0.25%

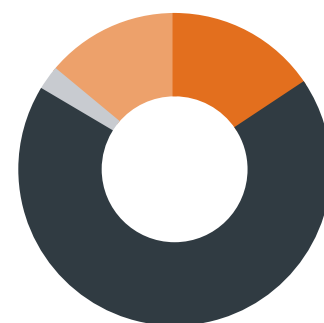
Note: Fixed interest securities are reported in the following format: Issuer name, interest (coupon rate), maturity year.

### Fund Portfolio Mix



Investment Grade Bonds 14.50%  
High Yield & Unrated Bonds 1.13%

### Country Exposure



New Zealand 15.68%  
International 2.51%  
Australia 67.82%  
Cash and Other 13.99%

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](http://milfordasset.com/fact-sheet) for more information about the data published within this document.

Level 28, 48 Shortland Street, Auckland  
PO Box 960, Shortland Street, Auckland 1140  
Free phone 0800 662 345  
[milfordasset.com](http://milfordasset.com)

