

Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 August 2019



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

Volatility returned in August with the ASX 200 Accumulation Index falling as much as 5.5% before rallying to end the month down 2.4%. The Fund performed very well during this volatility with a positive return of 0.9%.

The Fund was well positioned early in the month with higher cash levels, some ASX 200 put options and light positioning in sectors that were hardest hit in the sell-off such as mining and technology companies. Stock picking played a large role in this month's returns as most of our investments reported their full year results.

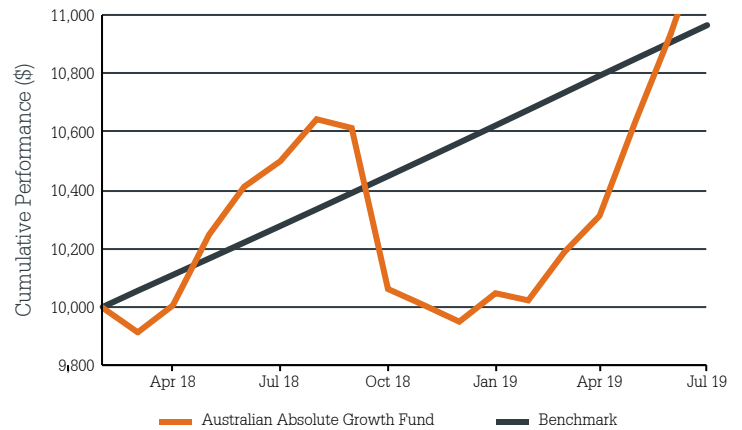
We had particularly strong results and performances from Australian Finance Group (+16.0), Smartgroup (+22.0%), Charter Hall Long WALE REIT (+14.0%), Credit Corp (+16.6%) and Downer EDI (+6.8%). These businesses are all exposed to the domestic Australian economy, which is showing some signs of recovery following the housing downturn that began in mid-2017 and bottomed in May this year. Early figures indicate that August will be the first month of house price appreciation in Sydney since mid-2017. On the back of this improving sentiment, companies exposed in some way to the housing market generally performed strongly.

During the month we used market weakness to buy resources and technology companies plus companies where we saw opportunities following their results. This leaves the Fund more fully invested at the beginning of September.

To view Milford's September 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)	\$161.5 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	1.41% (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 August 2019⁴

Unit Price: \$1.1373

	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)	0.95%	7.18%	7.15%	-	-	9.13%
After Tax 10.50%	1.00%	7.21%	7.18%	-	-	9.17%
After Tax 17.50%	1.04%	7.23%	7.20%	-	-	9.19%
After Tax 28.00%	1.09%	7.26%	7.23%	-	-	9.23%
Benchmark	0.50%	1.57%	6.63%	-	-	6.68%

Top Equity Holdings

Holdings	% of Fund's NAV
National Australia Bank	4.89%
Transurban Group	4.84%
BHP Group	4.59%
CSL	4.16%
Contact Energy	2.90%
Newcrest Mining	2.52%
Commonwealth Bank	2.51%
Australian Finance Group	2.44%
a2 Milk Company	2.41%
Macquarie Group	2.24%

Current Asset Allocation

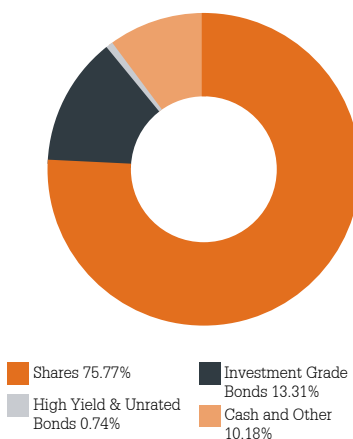
	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	10.18%	7.50%
New Zealand Fixed Interest	6.10%	4.00%
International Fixed Interest	7.95%	6.00%
New Zealand Equities	8.30%	7.50%
Australian Equities	66.71%	72.50%
International Equities	0.76%	2.50%
Other	0.00%	0%

Top Fixed Interest Holdings

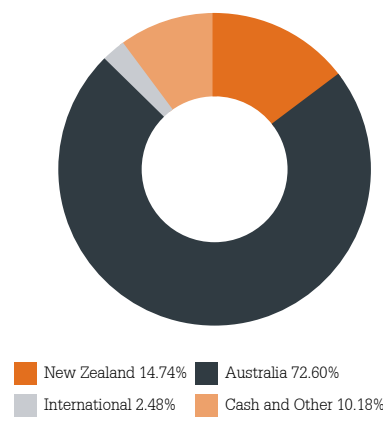
Holdings	% of Fund's NAV
ANZ Bank Float 2022	0.83%
NAB Float 2024	0.59%
Westpac Float 2022	0.45%
NZ Govt. Inflation Indexed 2% 2025	0.41%
Westpac 2.22% 2024	0.37%
ANZ Bank 3.03% 2024	0.34%
ANZ Bank Float 2024	0.30%
ANZ Bank Float 2021	0.28%
BNZ 3.648% 2023	0.28%
ING Group 1.45% 2024	0.27%

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

Fund Portfolio Mix



Country Exposure



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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