

# Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 November 2019



## Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Wayne Gentle**  
Portfolio Manager

The Fund gained 0.7% in November, bringing the 1-year return to 16.4%.

Equity markets were supported by progress on the US-China trade front and some signs of a recovery in global growth. This supported the energy and materials sectors on the ASX where the Fund made strong gains on its investments in BHP (+6.3%) and Woodside (+7.2%). The bank sector was particularly weak after some softer results from the major banks and the Westpac capital raise followed by the AUSTRAC scandal weighing heavily on its share price. The Fund had reduced its exposure to the sector prior to results and currently has around 7% invested in the sector.

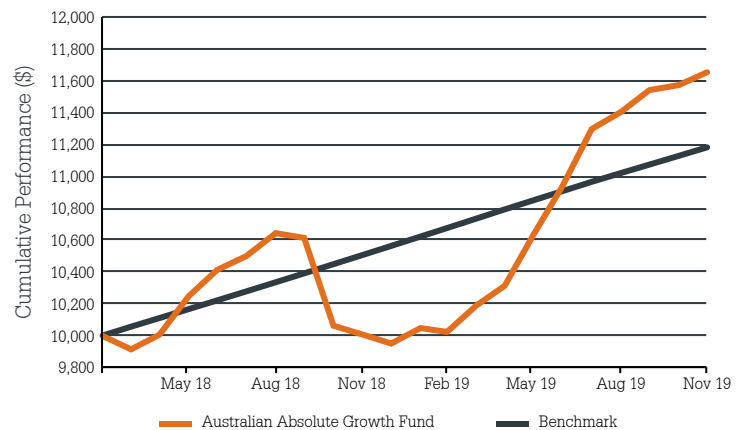
Our top contributor last month was the a2 Milk Company (+19.4%) which recovered recent losses after a positive trading commentary at its annual meeting. Some of our recent winners dragged on performance as they gave up a portion of their recent gains. This included Praemium (-10.2%), AFG (-7.8%) and AMA (-9.8%).

Over the month we increased our investment in the resources and energy sector. Valuations in these sectors are attractive as the market has been cautious on this space due to the global trade-wars and slowing global growth. The progress on trade and encouraging global growth signs should support commodity prices and valuations for these stocks.

To view Milford's December 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>	\$180.8 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>	1.41% (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="text-align: center;"> <span>1</span> <span>2</span> <span>3</span> <span style="color: orange;">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 November 2019<sup>4</sup>

Unit Price: \$1.1619

	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)	0.70%	2.19%	16.44%	-	-	9.12%
After Tax 10.50%	0.56%	2.07%	16.59%	-	-	9.08%
After Tax 17.50%	0.47%	1.98%	16.70%	-	-	9.05%
After Tax 28.00%	0.33%	1.86%	16.85%	-	-	9.01%
Benchmark	0.48%	1.46%	6.45%	-	-	6.59%

### Top Equity Holdings

Holdings	% of Fund's NAV
BHP Group	5.95%
Woodside Petroleum	5.20%
CSL	3.46%
a2 Milk Company	2.92%
AMA Group	2.74%
Westpac Banking Corp	2.73%
National Australia Bank	2.60%
Transurban Group	2.10%
Charter Hall Group	2.09%
EBOS Group	2.05%

### Current Asset Allocation

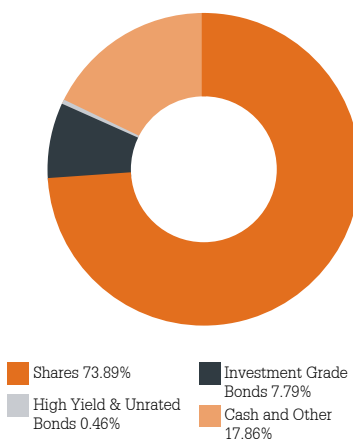
	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	17.72%	7.50%
New Zealand Fixed Interest	3.62%	4.00%
International Fixed Interest	4.63%	6.00%
New Zealand Equities	7.91%	7.50%
Australian Equities	65.14%	72.50%
International Equities	0.84%	2.50%
Other	0.14%	0%

### Top Fixed Interest Holdings

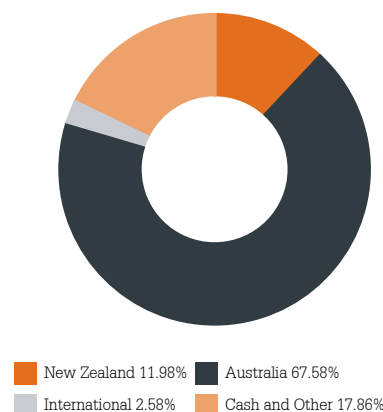
Holdings	% of Fund's NAV
ANZ Bank Float 2022	0.76%
NAB Float 2024	0.54%
Westpac Float 2022	0.42%
ANZ Float 2021	0.26%
Westpac Float 2021	0.20%
NZLGFA 1.5% 2029	0.18%
Westpac 2.22% 2024	0.17%
ANZ Bank 3.03% 2024	0.17%
Westpac Float 2023	0.17%
ASB Bank 1.83% 2024	0.16%

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](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)

