

Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 January 2020



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

The Fund had a strong start to the year, up 2.3% in January, as the Australian market rallied sharply before giving up some gains later in the month when the coronavirus emerged as a serious concern. Oil was particularly weak as the market anticipates weaker growth from China and air travel. This saw some losses in our energy and other resources companies that declined in-line with their associated commodity prices. These situations are generally temporary, and demand recovers once the outbreak is contained. We will monitor the situation closely to see if any changes in our holdings are required as new information emerges.

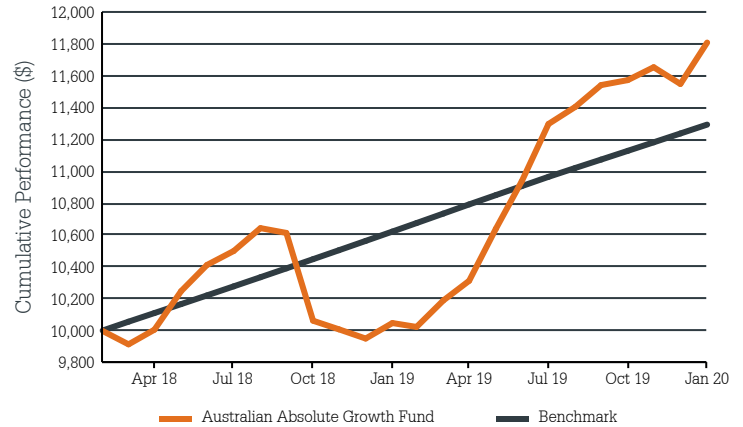
Property owner and manager Charter Hall Group was our largest winner for the month, as it continues to benefit from lower interest rates and increased demand for real estate assets. We expect continued strong earnings growth from the company this year. Our biggest detractor was Sealink Travel Group, which continued to sell-off as the local tourism industry continues to be impacted by bushfires and coronavirus. As mentioned last month, we are not concerned about lasting impacts on Sealink's business.

The Fund had sold or reduced certain positions over January as the market climbed to new highs and the investments reached our valuation targets. In the coming month we have half-year results which should expose some opportunities to reinvest our capital.

To view Milford's February 2020 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)	\$202.8 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="display: flex; justify-content: center; align-items: center; gap: 10px;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> Potentially lower returns Potentially higher returns </div>

Investment Performance after fees as at 31 January 2020⁴

Unit Price: \$1.1773

	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)	2.25%	2.04%	17.52%	-	-	9.03%
After Tax 10.50%	2.25%	1.76%	17.35%	-	-	8.92%
After Tax 17.50%	2.26%	1.58%	17.24%	-	-	8.84%
After Tax 28.00%	2.26%	1.30%	17.07%	-	-	8.73%
Benchmark	0.50%	1.48%	6.32%	-	-	6.54%

Top Equity Holdings

Holdings	% of Fund's NAV
BHP Group	5.59%
Woodside Petroleum	4.60%
Charter Hall Group	4.12%
National Australia Bank	3.40%
Aristocrat Leisure	2.96%
a2 Milk Company	2.81%
Australian Finance Group	2.77%
CSL	2.57%
Macquarie Group	2.54%
AMA Group	2.35%

Current Asset Allocation

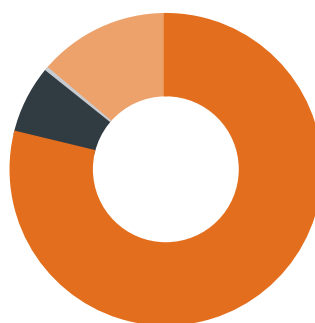
	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	12.61%	7.50%
New Zealand Fixed Interest	3.16%	4.00%
International Fixed Interest	4.22%	6.00%
New Zealand Equities	8.00%	7.50%
Australian Equities	70.13%	72.50%
International Equities	0.64%	2.50%
Other	1.24%	0%

Top Fixed Interest Holdings

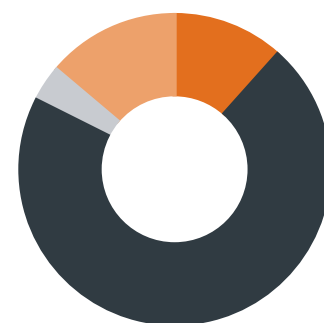
Holdings	% of Fund's NAV
ANZ Bank Float 2022	0.66%
NAB Float 2024	0.56%
Westpac Float 2022	0.37%
ANZ Bank Float 2021	0.23%
NZLGFA 1.5% 2029	0.18%
Westpac Float 2021	0.17%
ASB Bank 1.83% 2024	0.17%
BNZ 2.16% 2025	0.15%
Westpac Float 2023	0.15%
ANZ Bank 3.03% 2024	0.14%

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

Fund Portfolio Mix



Region 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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