

Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 March 2020



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

The market sell-off that began in February continued in March, with the ASX 200 falling a further 20.7%. Due to higher cash levels, and investments in relatively better performing companies, the Fund performed defensively, but still declined 9.4% over the month. While any fall in absolute value is disappointing, our high cash levels and relative performance gave us a great opportunity to pick up attractive investments and we should recover our capital losses much faster than the market.

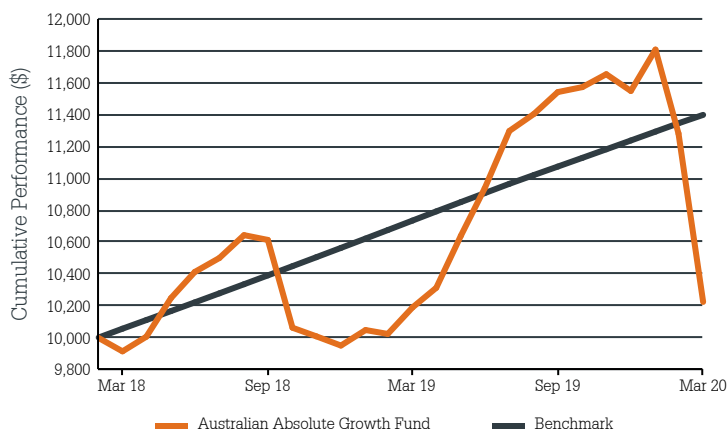
Key portfolio moves over the month included: selling all our energy stocks prior to the oil market rout; selling most of our bank exposure; buying supermarkets Coles and Woolworths into their early March decline; and buying more gold miners into weakness throughout the month and adding US listed video game producers Electronic Arts and Activision-Blizzard.

The supermarket investments did very well from our purchase level given they are some of the few companies likely to see increased earnings this year. Likewise, our investments in a2 Milk and Fisher & Paykel Healthcare performed well as their earnings outlook improved. We added the video game producers as we anticipate stronger earnings as more people take up video games during the lockdown period. Looking forward we anticipate more volatility but will be focusing our research on beaten up stocks that are oversold.

To view Milford's April 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)	\$169.4 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 March 2020⁴

Unit Price: \$1.019

	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)	-9.37%	-11.47%	0.34%	-	-	1.06%
After Tax 10.50%	-9.71%	-11.89%	-0.28%	-	-	0.74%
After Tax 17.50%	-9.93%	-12.16%	-0.69%	-	-	0.52%
After Tax 28.00%	-10.27%	-12.58%	-1.32%	-	-	0.19%
Benchmark	0.46%	1.43%	6.18%	-	-	6.48%

Top Equity Holdings

Holdings	% of Fund's NAV
Woolworths	5.15%
Coles Group	3.66%
Evolution Mining	3.38%
a2 Milk Company	3.29%
Telstra Corp	2.89%
Saracen Mineral Holdings	2.81%
Activision Blizzard	2.70%
Newcrest Mining	2.64%
Electronic Arts	2.32%
Sealink Travel Group	1.96%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash [#]	45.48%	7.50%
New Zealand Fixed Interest	3.43%	4.00%
International Fixed Interest	2.40%	6.00%
New Zealand Equities	5.20%	7.50%
Australian Equities	36.89%	72.50%
International Equities	5.82%	2.50%
Other	0.78%	0%

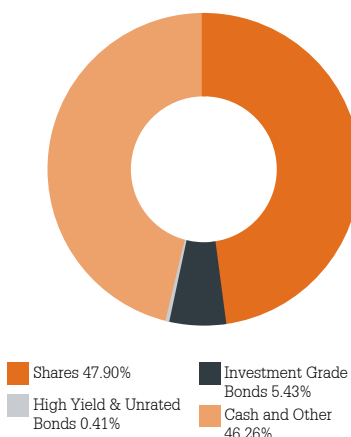
[#] The actual cash held by the Fund is 32.51%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Top Fixed Interest Holdings

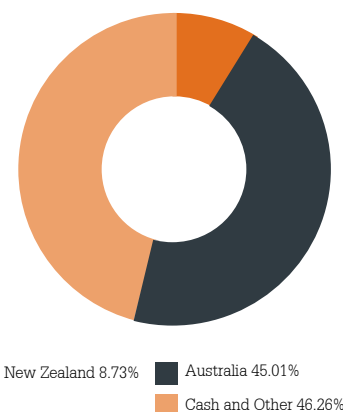
Holdings	% of Fund's NAV
Westpac Float 2022	0.42%
NZLGFA 1.5% 2029	0.21%
Westpac 2.22% 2024	0.17%
ANZ Bank 3.03% 2024	0.15%
ASB Bank 1.83% 2024	0.14%
ANZ Bank Float 2024	0.13%
Macquarie Group CD 2025	0.13%
Housing NZ 3.36% 2025	0.12%
John Deere 1.75% 2024	0.12%
ING Group 1.45% 2024	0.12%

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.

Level 28, 48 Shortland Street, Auckland
 PO Box 960, Shortland Street, Auckland 1140
 Free phone 0800 662 345
milfordasset.com

