

Milford Australian Absolute Growth Fund

ETL8155AU

July 2020



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

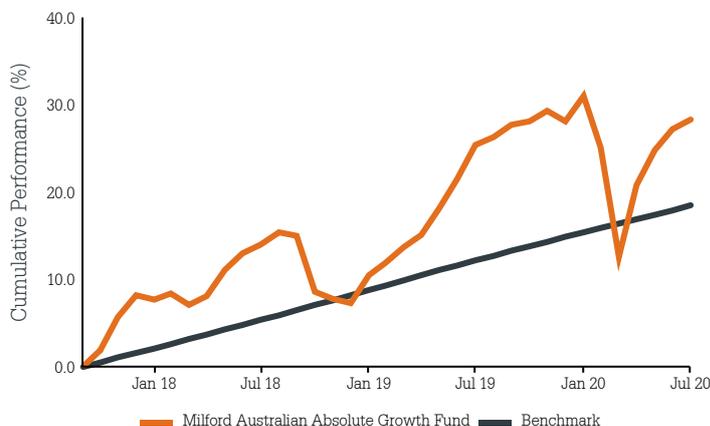
Despite the latest Melbourne lockdowns and gradual spread of the COVID-19 outbreak to Sydney, domestic equity markets remained robust through July. The Australian Absolute Growth Fund did relatively well, delivering 1.1% in July, outperforming the S&P/ASX200 which returned 0.5% for the month.

Sectors heavily impacted by the Melbourne lockdown such as banks, travel and A-REITs performed poorly over the month while we saw renewed strength in safe-haven companies, such as supermarkets Coles and Woolworths, where the Fund has a significant investment. We had been positioned defensively for the possibility of renewed lockdowns, so as the market moves played out, we adapted our positioning. This involved reducing our supermarket holdings, buying bank shares, and slowly increasing our overall exposure to equities.

Another large contributor to performance was our allocation to gold miners. The gold price in US dollars accelerated its upward trajectory nearly reaching \$2,000/oz and eclipsing its previous high of \$1,921 reached in 2011. The faltering global economic recovery, and continued money creation by central banks through quantitative easing programs encouraged a new wave of investors in gold bullion. As a result, we took profits on some of our gold mining companies as we believe the gold price now looks somewhat overheated. The Fund still retains a 10% exposure to gold miners.

The focus this month will be company full year result releases and meeting with the management teams from most of our invested companies.

Investment Performance to July 2020*



* Cumulative performance since inception, after all fees and expenses, and assumes reinvestment of distributions.

Key Fund Facts

Objective	Absolute returns with an annualised return of 5% above the RBA Cash Rate while seeking to preserve investor capital
Description	A diversified portfolio of predominantly Australian equities, complemented by selective exposure to international equities, cash and cash equivalents. May use derivatives and foreign currency hedging.
Benchmark	RBA Cash Rate + 5% p.a.
mFund Code	MFA01
Redemption Price <small>as at 31 Jul</small>	\$1.1025
NAV <small>as at 31 Jul</small>	\$118.7 Million
Inception Date	October 2017
Minimum Investment	\$20,000
Recommended Investment Timeframe	5 years +
Buy-sell Spread	+/-0.20%
Entry/Exit Fee	Nil
Distribution Frequency	Annual (30 June)
Management Fee*	1.00%
Capped Expense Recovery*	0.10%
Performance Fee*	15% p.a. of returns above the benchmark subject to achieving the high watermark.
Fund Pricing	Daily

* Fees are stated exclusive of GST.

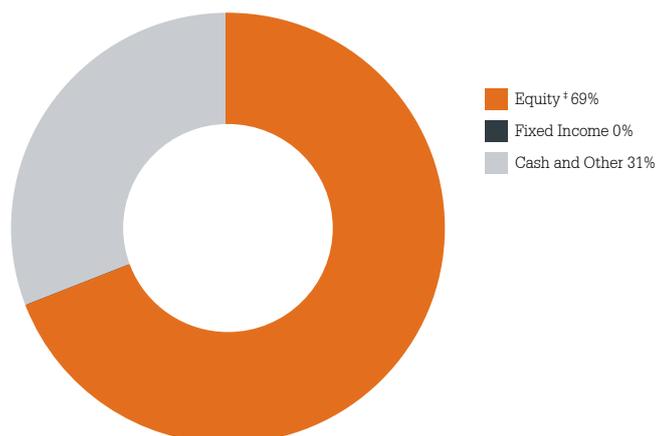
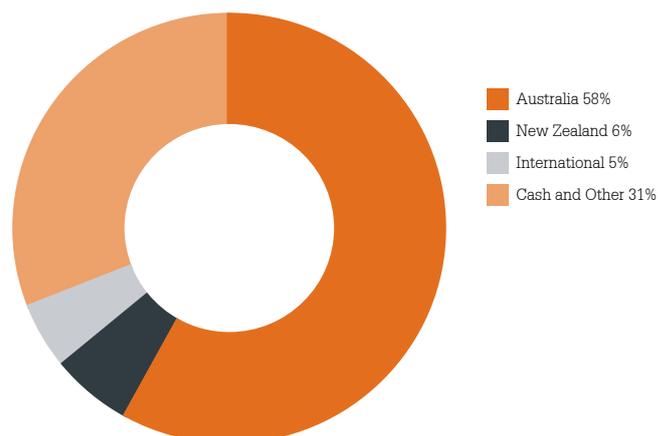
Investment Performance to July 2020*

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)**
Milford Australian Absolute Growth Fund	1.06%	-2.06%	2.33%	-	-	9.21%
Benchmark	0.44%	2.64%	5.61%	-	-	6.17%

Past performance is not reliable indicator of future performance.

* Net performance figures are shown after all fees and expenses, and assumes reinvestment of distributions.

** Inception date of the Fund is 2 October 2017.

Current Asset Allocation¹Current Country Allocation¹

Top Security Holdings

Holdings	% of Fund's NAV
Woolworths	5.96%
Telstra Corp	4.63%
National Australia Bank	4.22%
BHP Group	3.14%
Transurban Group	3.12%
Rio Tinto	2.85%
CSL	2.75%
Newmont Mining	2.55%
IAG	2.51%
Coles Group	2.20%

Fund Changes

There have been no material changes to the below information since the last monthly report:

- The Fund's risk profile
- The Fund's strategy

There have been no changes to the below information since the PDS was issued:

- Key service providers
- Individuals playing a key role in investment

¹ The actual investment mix incorporates the notional exposure value of equity derivatives and credit default swaps, where applicable.

² Equity will be the net amount, ie the total long less any shorts.

³ Typically the country in which the company issuing the share/bond primarily operates

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