

Milford Australian Absolute Growth Fund

November 2020



Portfolio Managers



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Portfolio Manager



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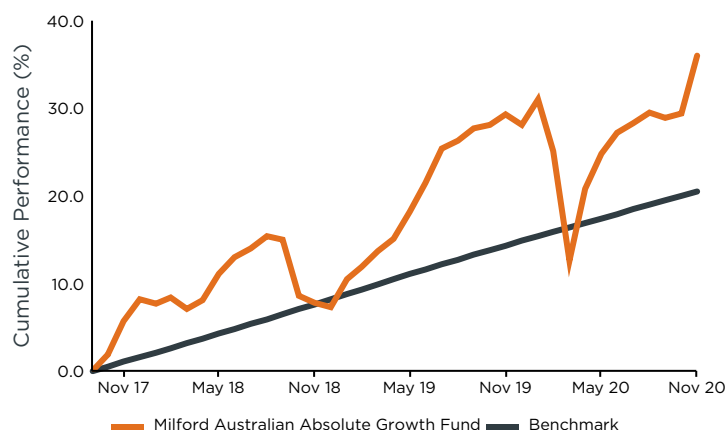
The Fund had a very strong month as positive vaccine news saw share markets rise sharply. The Fund's 5.1% return in November brings the calendar year return to 6.1%.

While our defensive investments such as gold miners and Woolworths had declines over the month, we made large gains in our cyclical and value investments which included the banks, Sydney Airport, Sealink Travel and Bluescope.

The positive vaccine news has large implications for our economic and market expectations over the coming few years which has resulted in portfolio changes over the month. Firstly, we materially reduced our gold miners as the improved economic certainty means a large gold hedge is not required. We have retained a smaller position as gold may do well again if inflation concerns flare up during the recovery. We continued to pick up more cyclical and value investments as we see more upside from these companies despite strong gains this month. These include Virgin Money UK, insurer IAG, toll road business Atlas Alteria and miners BHP, Rio Tinto and Fortescue Metals. These companies are priced at an attractive discount to our valuation and we expect this discount to close as the economic recovery progresses.

This results in a more fully invested portfolio weighted toward beneficiaries of the economic recovery and a cash holding of 7.3%. We are comfortable with this given the improved risk outlook and investment opportunities available following the vaccine developments. The ASX 200 index remains near 6% below its February highs given its large weighting to cyclical and COVID-19 impacted companies. We expect the economic recovery will have setbacks along the way as emergency fiscal stimulus is withdrawn, although the coming vaccine will help consumers and businesses look through these setbacks.

Investment Performance to November 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 and cash. May use derivatives and foreign currency hedging.

Benchmark	RBA Cash Rate + 5% p.a.
APIR	ETL8155AU
mFund Code	MFA01
Redemption Price as at 30 Nov	\$1.1682
NAV as at 30 Nov	\$136.3 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.

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Investment Performance to November 2020*

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)**
Milford Australian Absolute Growth Fund	5.07%	8.95%	5.17%	8.76%	-	10.20%
Benchmark	0.41%	2.59%	5.39%	6.04%	-	6.07%
Over/Underperformance	4.66%	6.36%	-0.22%	2.72%	-	4.13%
S&P/ASX 200 (TR) Index	10.21%	14.76%	-1.98%	6.94%	-	8.46%
Over/Underperformance	-5.14%	-5.81%	7.15%	1.82%	-	1.74%

Past performance is not a 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.

Top Security Holdings

Holdings	% of Fund
National Australia Bank	6.56%
BHP Group	5.53%
Fisher & Paykel Healthcare	5.01%
Woolworths	4.64%
IAG	3.91%
ANZ Banking Group	3.69%
Telstra Corp	3.46%
Charter Hall Retail	3.01%
Wesfarmers	2.93%
CSL	2.81%

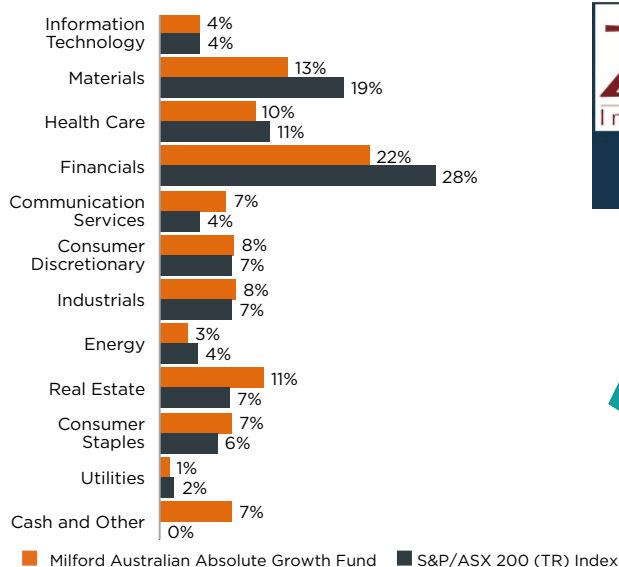
Current Asset Allocation

	Actual	Typical Range	Maximum Range
Australian Equities*	91.66%	75-85%	0-100%
International Equities	1.00%	0-10%	0-30%
Cash and Other #	7.34%	0-10%	0-100%

* Includes New Zealand Equities

Cash and Other reported above is adjusted to reflect the Fund's notional positions.

Sector Allocation



Ratings & Awards



Fund Changes

There have been no material changes to the Fund's risk profile or strategy since the last monthly report. There have been no changes to the key service providers or individuals playing a key role in investment since the PDS was issued.

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