

Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 January 2021



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

The Australian Absolute Growth Fund finished January with a 1.3% return compared to a 0.3% return by the ASX 200 Index.

Our best performer was Australian Ethical Investments (+39.2%) which rallied on a strong investment flow update. SmartPay (+25.4%) was another notable performer that released a positive update on new terminal sales and anticipated new business following issues at key competitor Tyro. We used a later month sell-off in miners to add copper miner Oz Minerals and increase our position in lithium and nickel miner IGO. All these metals are benefitting from the electrification of vehicles and renewable energy developments and we expect to see sustained commodity strength.

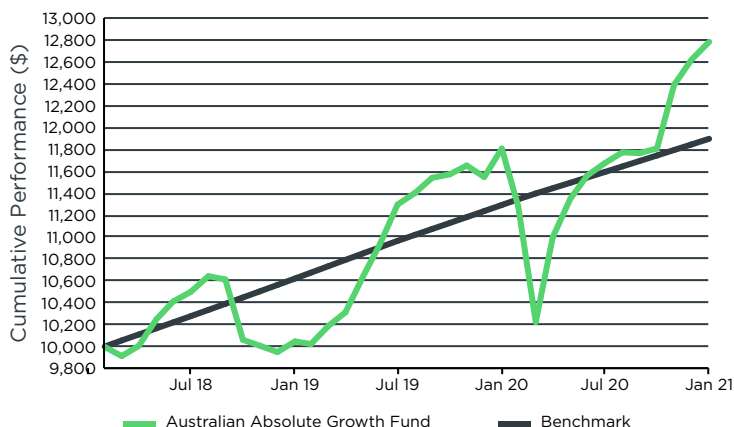
The portfolio is skewed towards more cyclicals than normal as we believe they will continue to outperform as the vaccine distribution allows a global economic recovery to occur later this year. Our key exposures are miners, financials, and home builders among other select positions. Delays in vaccine distribution may set back the economic recovery, but importantly won't prevent it from occurring. A setback in vaccine effectiveness occurring due to the new virus mutations, is a key risk that we are monitoring closely. Early indications are that the mutation is a minor rather than critical setback.

Reporting season gets underway this month and will be the key focus over the next month.

To view Milford's February 2021 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 and cash.

Target Allocation	17.5% Income Assets / 82.5% Growth Assets
Neutral FX Exposure	0%
Net Asset Value (NAV)	\$250.8 M
Buy-sell Spread	None - swing pricing applies (See PDS for details)
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	1.50% (includes an est. performance fee)

	Lower risk				Higher risk		
Risk Indicator	1	2	3	4	5	6	7
	Potentially lower returns				Potentially higher returns		

Australian Absolute Growth Fund as at 31 January 2021

Investment Performance after fees as at 31 January 2021⁴

Unit Price: \$1.273

	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)	1.28%	8.24%	8.25%	-	-	8.76%
After Tax 10.50%	1.21%	8.43%	8.02%	-	-	8.60%
After Tax 17.50%	1.16%	8.56%	7.87%	-	-	8.50%
After Tax 28.00%	1.08%	8.75%	7.63%	-	-	8.35%
Benchmark	0.44%	1.30%	5.35%	-	-	6.13%

Top Equity Holdings

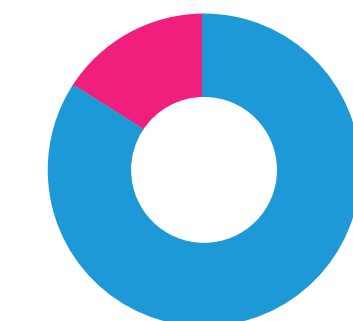
Holdings	% of Fund
NAB	6.40%
ANZ	4.94%
BHP	4.92%
IGO	3.79%
Woolworths	3.49%
IAG	3.46%
Rio Tinto	3.40%
Telstra	3.29%
Virgin Money	3.08%
Charter Hall Retail	2.65%
Santos	2.62%
CSR	2.38%
Fisher & Paykel	2.37%
Super Retail	2.35%
Bluescope Steel	2.35%
Australian Finance	2.14%
Aristocrat Leisure	1.97%
Woodside Petroleum	1.78%
Atlas Arteria	1.77%
Seven Group	1.72%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	16.02%	7.50%
New Zealand Fixed Interest	0.00%	10.00%
International Fixed Interest	0.00%	0%
New Zealand Equities	4.20%	7.50%
Australian Equities	78.90%	72.50%
International Equities	0.88%	2.50%
Other	0.00%	0%

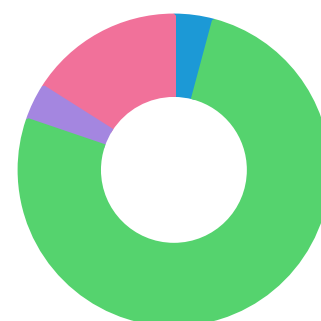
The actual cash held by the Fund is 9.73%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Fund Portfolio Mix



■ Shares 83.98% ■ Cash and Other 16.02%

Region Exposure



■ New Zealand 4.18% ■ Australia 76.04%
■ International 3.76% ■ Cash and Other 16.02%

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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