

Milford Australian Absolute Growth Fund

January 2021



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

January started off strongly for markets, but retraced performance late in the month as volatility surrounding the speculative retail activity in US markets manifested in broader equity market weakness. The Australian Absolute Growth Fund finished the month with a 1.5% return, outperforming the ASX 200 Index which returned 0.3%.

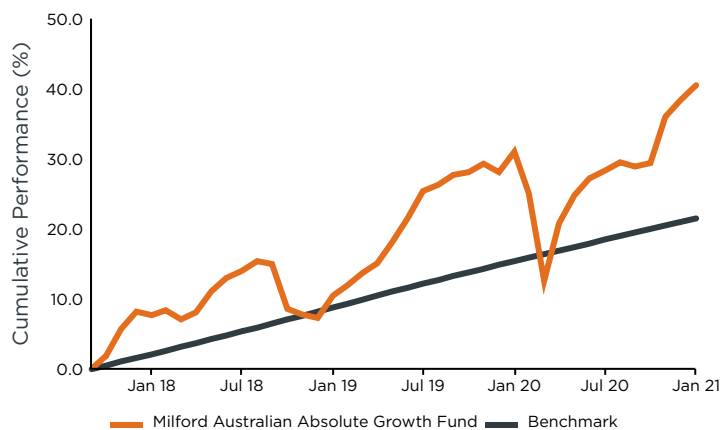
Our best performer was Australian Ethical Investments (+39.2%) which rallied on a strong investment flow update. SmartPay (+25.4%) was another notable performer that released a positive update on new terminal sales and anticipated new business following issues at key competitor Tyro.

Other top performers were BHP, NAB, Wesfarmers and Salt Lake Potash. There were no specific losers, however our mining exposure sold-off late in the month which gave back some earlier performance. We used this sell-off 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. 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.

Our focus for this month will be on reporting season, which should present opportunities for the Fund.

Investment Performance to January 2021*



* 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 31 Jan	\$1.2071
NAV as at 31 Jan	\$148.3 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.

Investment Performance to January 2021*

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)**
Milford Australian Absolute Growth Fund	1.53%	9.49%	7.24%	9.25%	-	10.73%
Benchmark	0.42%	2.58%	5.28%	5.96%	-	6.02%
Over/Underperformance	1.11%	6.91%	1.96%	3.29%	-	4.72%
S&P/ASX 200 (TR) Index	0.31%	12.99%	-3.11%	7.00%	-	8.50%
Over/Underperformance	1.22%	-3.50%	10.35%	2.24%	-	2.23%

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
NAB	6.51%
BHP	5.03%
ANZ	4.98%
IGO	3.84%
Woolworths	3.58%
IAG	3.53%
Rio Tinto	3.49%
Telstra	3.34%
Virgin Money	3.13%
Charter Hall Retail	2.72%

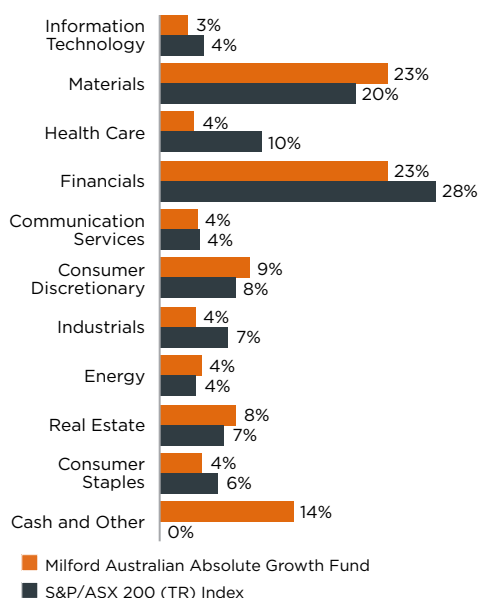
Current Asset Allocation

	Actual	Typical Range	Maximum Range
Australian Equities*	85.40%	75-85%	0-100%
International Equities	0.90%	0-10%	0-30%
Cash and Other #	13.70%	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.

Disclaimer: Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the responsible Entity for the Milford Australian Absolute Growth Fund. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). This Monthly Fact Sheet has been prepared by Milford Australia Pty Ltd. as the Investment Manager, to provide you with general information only. In preparing this Monthly Fact Sheet, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Milford Australia Pty Ltd., Equity Trustees nor any of their related parties, employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance is not a reliable indicator of future performance. You should obtain a copy of the Product Disclosure Statement before making a decision about whether to invest in this product.