

Australian Absolute Growth Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 July 2021



Portfolio Managers



William Curtayne
Portfolio Manager



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Portfolio Manager

The Fund returned 0.5% in a relatively quiet July. The worsening Sydney COVID-19 Delta strain outbreak was the key economic event over the month, but even this had a relatively small impact on the equity market other than some modest weakness in banks and some other cyclicals. Once again, lockdowns in Australia are being met with fiscal support that at a broad level will keep consumer savings at a healthy level until high vaccination rates allow lockdowns to ease later this year.

Our strongest performers over the month were BHP (+10.1%), IGO (+22.0%) and DGL (+18.0%). IGO rallied as it completed its acquisition of lithium assets and the lithium commodity price saw renewed strength. Recent IPO DGL continues to attract new investor interest as the opportunity in chemicals logistics is appreciated by more market participants. DGL is a well-managed New Zealand business that has expanded to have significant operations across in Australia.

Our largest losers were Westpac and Santos which largely followed a global pullback in banks and energy companies. We expect bank share prices to improve as vaccination levels improve globally and in Australia, and central banks move into the tapering phase of monetary stimulus. Post month end Santos has announced a merger with Oil Search which we see as a positive move both strategically and for the valuation of the business.

The profit outlook for the Australian share market remains positive and we expect this to underpin a base case of continued strength in equities. Next month we look forward to opportunities that should present during August result releases.

To view Milford's August 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	Targets an absolute return 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.
Minimum recommended investment timeframe	7 years
Target Allocation	17.5% Income Assets / 82.5% Growth Assets
Neutral FX Exposure	0%
Net Asset Value (NAV)	\$455.6 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	1.30% (includes an est. performance fee)



Australian Absolute Growth Fund as at 31 July 2021

Investment Performance after fees as at 31 July 2021⁴

Unit Price: \$1.4266

	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)	0.51%	3.02%	22.73%	10.92%	-	11.09%
After Tax 10.50%	0.42%	2.96%	22.78%	10.79%	-	10.99%
After Tax 17.50%	0.35%	2.92%	22.81%	10.71%	-	10.93%
After Tax 28.00%	0.25%	2.85%	22.86%	10.58%	-	10.82%
Benchmark	0.44%	1.30%	5.25%	5.89%	-	5.99%

Top Equity Holdings

Holdings	% of Fund
NAB	5.50%
Westpac	5.29%
BHP	5.07%
Telstra	4.84%
ANZ	4.76%
CSL	3.50%
Evolution Mining	3.45%
Virgin Money	3.33%
Santos	2.91%
Sydney Airport	2.60%
Seven Group	2.48%
Charter Hall Retail	2.13%
Bank of Queensland	1.97%
HomeCo REIT	1.95%
EBOS Group	1.88%
Atlas Arteria	1.70%
Contact Energy	1.62%
IGO	1.61%
Rio Tinto	1.52%
Collins Foods	1.42%

Current Asset Allocation

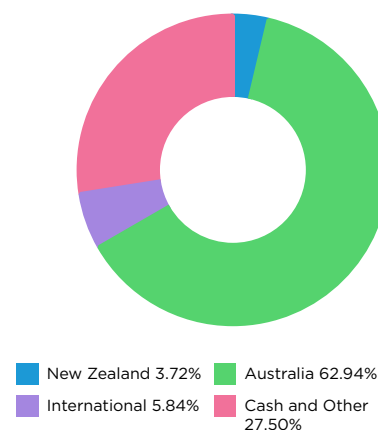
	Actual Investment Mix	Neutral Investment Mix
Effective Cash [#]	25.80%	8%
New Zealand Fixed Interest	0.00%	10%
International Fixed Interest	0.00%	0%
New Zealand Equities	5.30%	8%
Australian Equities	65.84%	73%
International Equities	1.36%	3%
Other	1.70%	0%

[#] The actual cash held by the Fund is 15.59%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Sector Allocation

Allocation	Weight %
Financials	19.46%
Materials	15.32%
Industrials	9.04%
Health Care	6.84%
Real Estate	6.39%
Communication Services	5.58%
Consumer Discretionary	3.12%
Energy	2.76%
Utilities	1.52%
Information Technology	1.29%
Consumer Staples	1.18%
Cash and Other	27.50%

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.

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