

# Milford Australian Absolute Growth Fund - R Class

August 2024



## Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Wayne Gentle**  
Portfolio Manager



**Jason Kururangi**  
Co-Portfolio Manager

August started with the ASX 200 selling off 5.5% early in the month on the back of an unwind in the Yen carry trade, before recovering to finish up 0.4%. For the Fund, our positioning helped earlier in the month, however lagged the recovery later in the month largely on the back of short-term volatility seen in several of our holdings through results season. This cost the Fund, down 2.3% over the month, underperforming its benchmark by 3.1%.

Over the month, we did have strong contributions to performance from Life360 (+15.5%), which published strong numbers and highlighted a strong growth opportunity. Positions in gold miners Northern Star, Evolution and Newmont continued to rally on the prospects of rate cuts.

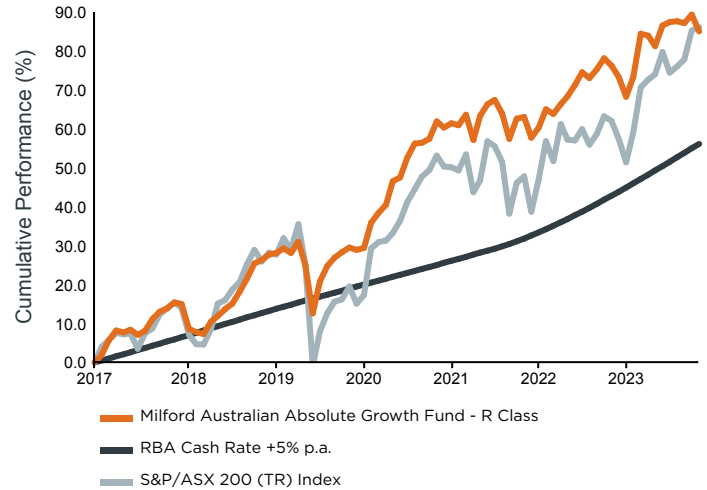
Despite these winners, overall the month was disappointing on a stock-picking front, with a number of holdings announcing weaker updates. Prior winner, pharmaceutical company Neuren Pharmaceuticals, was weak (-19.2%), despite announcing another set of positive trial results, which were offset by weaker guidance at partner Acadia Pharmaceuticals.

Our position in a2 Milk (-21.9%) also cost us this month, on the back of supply chain issues preventing them from taking advantage of the strong demand for their product. Key additions during the month included adding to Macquarie and Goodman Group. We took advantage of strength in other names, like Life360 and some of our gold miners, to take profits.

We continue to retain a larger than normal position in defensive sectors such as telecommunications, staples and healthcare, given reasonable value on offer and defensive characteristics.

We also continue to maintain some cash on the sidelines and some put option protection that will soften the magnitude of losses on any market downturn. This approach to positioning remains consistent to how we have managed through similar environments.

## Investment Performance to August 2024<sup>1</sup>



## Key Fund Facts

<b>Objective</b>	Absolute returns with an annualised return of 5% above the RBA Cash Rate while seeking to preserve investor capital over rolling three-year periods.
<b>Description</b>	A diversified portfolio of predominantly Australian equities, complemented by selective exposure to international equities and cash. May use derivatives and foreign currency hedging.
<b>Benchmark</b>	RBA Cash Rate + 5% p.a.
<b>APIR</b>	ETL1090AU
<b>Redemption Price as at 31 Aug</b>	\$0.9417
<b>Fund Size*</b>	\$463.2 Million
<b>Inception Date</b>	October 2017
<b>Minimum Investment</b>	\$1,000
<b>Recommended Investment Timeframe</b>	7 years +
<b>Buy-sell Spread</b>	+/-0.20%
<b>Entry/Exit Fee</b>	Nil
<b>Management Fee</b>	1.05%
<b>Performance Fee</b>	15.35% p.a. of returns above the benchmark subject to achieving the high watermark.
<b>Fund Pricing</b>	Daily
<b>Distribution Frequency</b>	Biannual

\*The Fund Size represents the total assets of the fund

# Milford Australian Absolute Growth Fund August 2024

## Investment Performance to August 2024<sup>2</sup>

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.) <sup>3</sup>
Milford Australian Absolute Growth Fund - R Class <sup>4</sup>	-2.29%	2.11%	4.98%	4.55%	7.93%	9.30%
Benchmark	0.76%	4.61%	9.32%	7.68%	6.73%	6.66%
Excess Return	-3.05%	-2.50%	-4.34%	-3.13%	1.20%	2.64%
S&P/ASX 200 (TR) Index	0.47%	6.97%	14.90%	6.72%	8.13%	9.40%
Excess Return	-2.76%	-4.86%	-9.92%	-2.17%	-0.20%	-0.10%

## Top Security Holdings

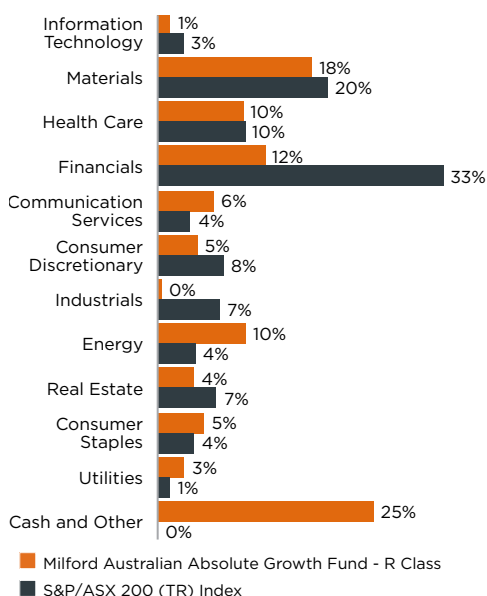
Holdings	% of Fund
CSL	6.49%
BHP	4.94%
Telstra	4.00%
Woolworths	3.91%
Viva Energy Group	3.15%
Santos	2.99%
Virgin Money	2.40%
PSC Insurance Group	2.38%
Goodman	2.06%
Macquarie	2.03%

## Current Asset Allocation

	Actual	Typical Range	Maximum Range
Australasian Equities	72.92%	75-85%	30-100%
Derivatives	-2.88%	NA	NA <sup>^</sup>
International Equities	5.32%	0-10%	0-20%
Cash and Other	21.71%	0-20%	0-50%

<sup>^</sup> refer to PDS for limits on derivative exposure

## Sector Allocation



## 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 last monthly report.

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1. Cumulative performance since inception, after all fees and expenses, and assumes reinvestment of distributions. 2. Past performance is not a reliable indicator of future performance. Returns greater than one year are annualised. 3. Inception date of the Fund is 02 October 2017. 4. The performance stated combines the performance of the Australian Absolute Growth Fund - W Class from 2 October 2017 to 30 June 2021, and the performance of the Milford Australian Absolute Growth Fund - R Class thereafter. 5. Cash and Other reported above is adjusted to reflect the Fund's notional positions.

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Milford Australian Absolute Growth Fund - R Class's Target Market Determination is available at <https://milfordasset.com.au/documents-and-forms>. The Target Market Determination is a document describing who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.