

Milford Australian Absolute Growth Fund - R Class

August 2025



Portfolio Managers



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Portfolio Manager



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Portfolio Manager



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Co-Portfolio Manager

August was another robust month for equity markets, characterised by a solid earnings season with generally positive earnings revisions. The Fund outperformed its benchmark return, delivering 1.6% during the month, however it did lag the broader ASX200, which rose 3.1%.

Nearly all our portfolio companies released results, and as with recent reporting seasons, volatility continues to step up seeing positive results rewarded and negative surprises getting punished. Examples of earnings downgrades that were punished included building materials companies with US exposure such as James Hardie (-24.5%) and Reece (-17.9%) being sold off.

Our strongest performance over the month included Tuas, where we participated in the placement for the Singaporean telecommunications company, which rallied 45.8% following the acquisition of competitor M1.

Our gold holdings also delivered solid results, benefiting from record prices. Ramelius Resources (+25.8%), Newmont (+19.8%) and Genesis Minerals (+22.2%) all delivered solid results generating significant cash flow. The continued strength in the gold price reflects persistent geopolitical tensions, strong central bank buying and investors pursuing portfolio diversification as a store of value against significant fiscal expansion globally.

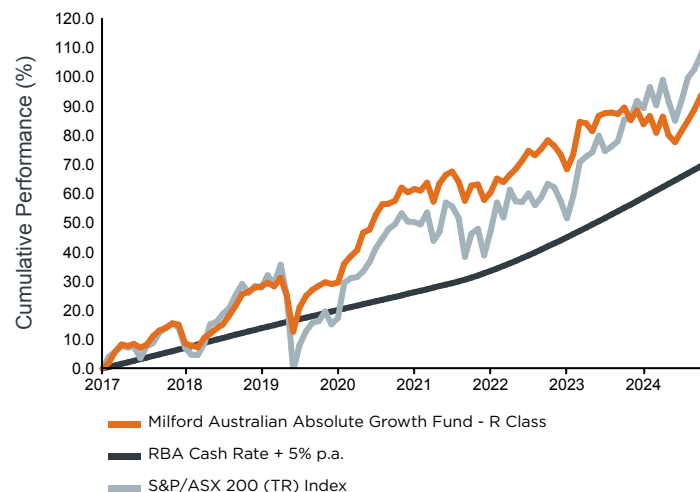
Unfortunately, the top contributor last month dragged in this month as its results disappointed the market with biotechnology company CSL selling off (-21.4%). While disappointing on an absolute basis, overall we had taken profits on the position through July and early August, so the drag on performance was manageable in the context of the Fund. We think the business continues to offer compelling medium-term value but we will continue to be active in how we manage the position.

The Fund continues with a balanced overall investment position at just under 80% equity exposure. We have some call options and put options as the market isn't expecting much price movement, making options attractive. This allows us to gain exposure to further market gains and protect against any share reversal. The economic and policy outlook continues to be supportive for markets.

We continue to see the main risks coming from positioning that is getting longer again, which means that investors are expecting prices to rise. However, any reversal in current market momentum is still likely to require a substantial negative catalyst which may happen, but for now doesn't look likely short term.

Cumulative Performance (after fees and expenses)

31 August 2025



Performance since inception and assumes reinvestment of distributions. Past performance is not a reliable indicator of future performance.

Key Fund Facts

Objective	Absolute returns with an annualised return of 5% above the RBA Cash Rate while seeking to preserve investor capital over rolling three-year periods.
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	ETL1090AU
Redemption Price as at 31 Aug	\$0.9916
Fund Size*	\$474.4 Million
Inception Date	October 2017
Minimum Investment	\$1,000
Recommended Investment Timeframe	7 years +
Buy-sell Spread	+/-0.20%
Entry/Exit Fee	Nil
Management Fee	1.05%
Performance Fee	15.35% p.a. of returns above the benchmark subject to achieving the high watermark.
Fund Pricing	Daily
Distribution Frequency	Biannual

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

Milford Australian Absolute Growth Fund as at 31 August 2025

Investment Performance to 31 August 2025

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Australian Absolute Growth Fund - R Class ¹	1.63%	6.24%	6.13%	6.39%	8.68%	8.90%
RBA Cash Rate + 5% p.a.	0.71%	2.15%	9.13%	8.93%	7.45%	6.96%
Excess Return	0.92%	4.09%	-3.00%	-2.54%	1.23%	1.94%
S&P/ASX 200 (TR) Index	3.10%	7.03%	14.74%	13.04%	12.32%	10.06%
Excess Return	-1.47%	-0.79%	-8.61%	-6.65%	-3.64%	-1.16%

Past performance is not a reliable indicator of future performance. Returns greater than one year are annualised.

Top Security Holdings

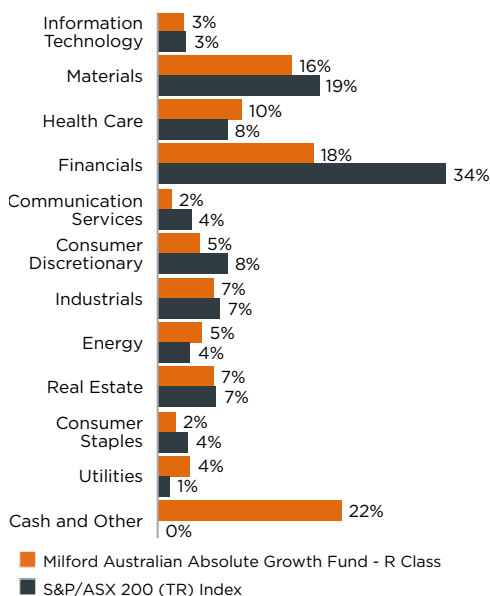
Holdings	% of Fund
CSL	5.45%
BHP	4.07%
ANZ Group Holdings	3.00%
Newmont	2.80%
Santos	2.16%
ALS	2.14%
Rio Tinto	2.01%
Xero	1.93%
Westpac	1.68%
Region RE	1.65%

Current Asset Allocation

	Actual	Typical Range	Maximum Range
Australasian Equities	73.26%	75-85%	30-100%
Derivatives	-0.56%	NA	NA [^]
International Equities	2.24%	0-10%	0-20%
Cash and Other	20.57%	0-20%	0-50%

[^] 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.



Milford Australian Absolute Growth Fund as at 31 August 2025

1. 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.

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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.