

Milford Australian Absolute Growth Fund - R Class

January 2026



Portfolio Managers



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The new year is underway with plenty of action and volatility in January. The Fund returned 1.7% in January slightly underperforming the ASX200, and over the last 12 months the Fund has returned 7.7% compared to 7.4% by the ASX200.

Resources again lead the market last month but with a significant drawdown on the final two days of January. Firstly, gold and silver surged as the precious metals bull market became increasingly speculative and leveraged traders eventually were forced to sell when the metals prices corrected. Our gold miners performed well led by Newmont (+15.4%). We used this opportunity to take profits and to manage our overall gold exposure fearful of a potential pullback given its rapid ascent and began to add some miners back post the end of month metals crash. The thesis for owning some gold exposure remains intact, but with increasing speculation in gold and likely continued high volatility we will manage our gold miner positions accordingly.

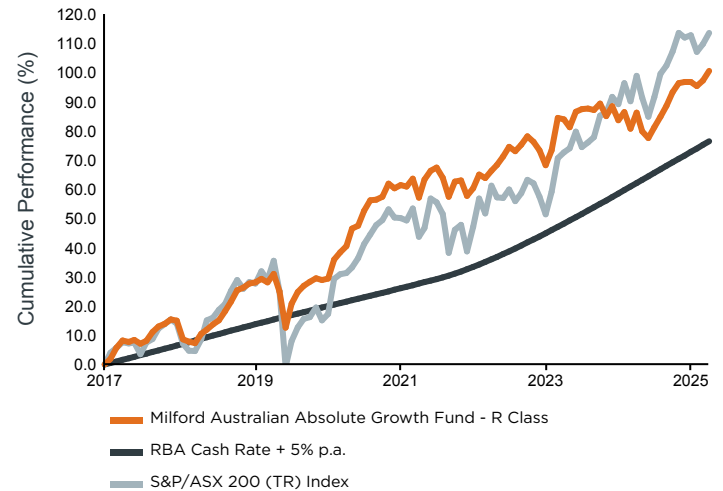
The precious metal rally and increasing global awareness of the strategic importance of resources also drove up iron ore, copper and other commodities. We took the opportunity to lighten our positions in Rio Tinto, Capstone Copper and Develop Global into this rally. Again, we will likely be buyers of resources companies on weakness. Compared to the ASX 200, much of the Fund's outperformance was driven by its relatively small weight in banks. Banks are likely to underperform while resources outperform as often the two sectors trade in counterbalance.

Our top contributor over the month was BlueScope Steel (+29.7%) which received a takeover offer from Seven Group and US listed Steel Dynamics. Another standout was ALS Ltd which does core assay testing for gold mines and clearly is seeing an improved outlook in this gold price back drop.

2026 will likely be another eventful year that looks set to start with strong US growth, imminent Fed rate cuts as well as significant federal deficits. This should set up strong demand for real assets and support resources. Meanwhile domestically equity market valuations have come back to more palatable levels, and we are finding some well-priced parts of the market, that look to offer solid risk-adjusted returns. We will need to keep a close eye on climbing long bond yields and possible growth shocks that could cause a market upset at some stage this year.

Cumulative Performance (after fees and expenses)

31 January 2026



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 Jan	\$1.0035
Fund Size*	\$398.5 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 January 2026

Investment Performance to 31 January 2026

	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	1.69%	1.94%	7.68%	6.43%	7.38%	8.71%
RBA Cash Rate + 5% p.a.	0.70%	2.10%	8.81%	9.05%	7.74%	7.05%
Excess Return	0.99%	-0.16%	-1.13%	-2.62%	-0.36%	1.66%
S&P/ASX 200 (TR) Index	1.78%	0.36%	7.37%	9.81%	10.21%	9.53%
Excess Return	-0.09%	1.58%	0.31%	-3.38%	-2.83%	-0.82%

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

Top Security Holdings

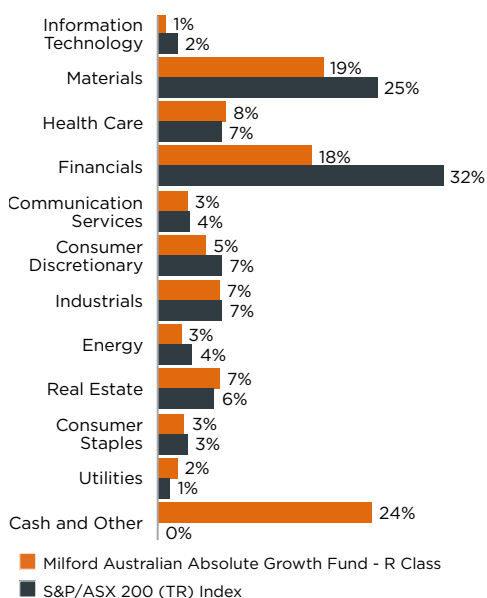
Holdings	% of Fund
BHP Group	4.64%
NAB	3.88%
Westpac	3.80%
ANZ Group	3.66%
Newmont	3.27%
Sigma Healthcare	2.21%
Goodman Group	2.20%
ALS	2.16%
Bluescope Steel	2.04%
CSL	2.04%

Current Asset Allocation

	Actual	Typical Range	Maximum Range
Australasian Equities	72.20%	75-85%	30-100%
Derivatives	-0.57%	NA	NA [^]
International Equities	3.97%	0-10%	0-20%
Cash and Other	22.92%	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 January 2026

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.