

# Milford Australian Absolute Growth Fund - R Class

## March 2022

### Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Wayne Gentle**  
Portfolio Manager

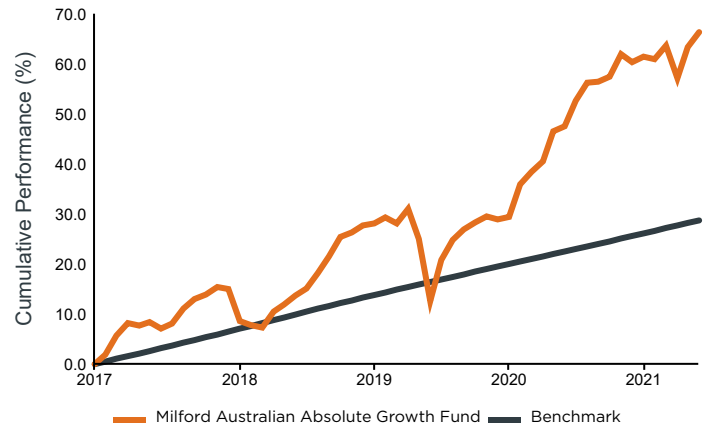
The Australian Absolute Growth Fund returned 1.8% in March to bring the 1-year return to a pleasing 12.7%. Global equity markets had a very strong recovery in the last couple of weeks of March. Defensive positioning by fund managers led to a strong rally following the Fed meeting as investors dialled risk levels back up. Australian equities were also aided by strong commodity prices, this drove offshore investors to buy the ASX given its safe haven status in this environment.

Our best performer was IGO which rose 29.4% on the back of strong nickel and lithium prices. Nickel supply out of Russia is expected to be heavily disrupted and the war has increased the need to accelerate the energy transition to renewables which supports both lithium and nickel demand. Our other top performers include Origin Energy (+11.8%), BHP (+10.9%), NAB (+11.8%) as both resources and Australian financials performed well over the month. Outside of resources our top performer was supermarket Metcash (+10.2%) which is well placed and well-priced for accelerating inflation in Australia.

Our worst performer was Virgin Money (-9.4%) as UK and global banks did not perform as well as their domestic counterparts due to increasing concerns about global growth. We had trimmed our position recently at high prices but retain a core position given Virgin's attractive valuation and earnings exposure to higher interest rates.

The Fund has performed true to label in this volatile start to the year. We have an overall cautious view on global and Australian equities as combined headwinds of inflation and higher interest rates lead to lower profit margins, weaker growth, and valuation headwinds for companies. Australia should feel these pressures later than most other countries but ultimately is still exposed. As such we have reduced our equity exposure into this recent rally but maintained significant exposures to attractive areas such as resources, supermarkets and select stock picks.

### Investment Performance to March 2022\*



\* 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 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.

<b>Benchmark</b>	RBA Cash Rate + 5% p.a.
<b>APIR</b>	ETL1090AU
<b>mFund Code</b>	MFA04
<b>Redemption Price as at 31 Mar</b>	\$1.0525
<b>NAV as at 31 Mar</b>	\$162 Million
<b>Inception Date</b>	October 2017
<b>Minimum Investment</b>	\$20,000
<b>Recommended Investment Timeframe</b>	5 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

## Investment Performance to March 2022\*

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)**
Milford Australian Absolute Growth Fund	1.83%	3.77%	12.74%	13.52%	-	11.98%
Benchmark	0.42%	2.51%	5.10%	5.41%	-	5.78%
Over/Underperformance	1.41%	1.26%	7.64%	8.11%	-	6.20%
S&P/ASX 200 (TR) Index	6.89%	4.38%	14.97%	10.59%	-	10.53%
Over/Underperformance	-5.06%	-0.61%	-2.23%	2.93%	-	1.45%

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 02 October 2017.

## Top Security Holdings

Holdings	% of Fund
CSL	4.26%
Metcash	3.96%
Santos	3.95%
Telstra	3.57%
Evolution Mining	3.55%
Contact Energy	3.51%
Newcrest Mining	3.32%
Woolworths	3.09%
Origin Energy	2.35%
Rio Tinto	2.24%

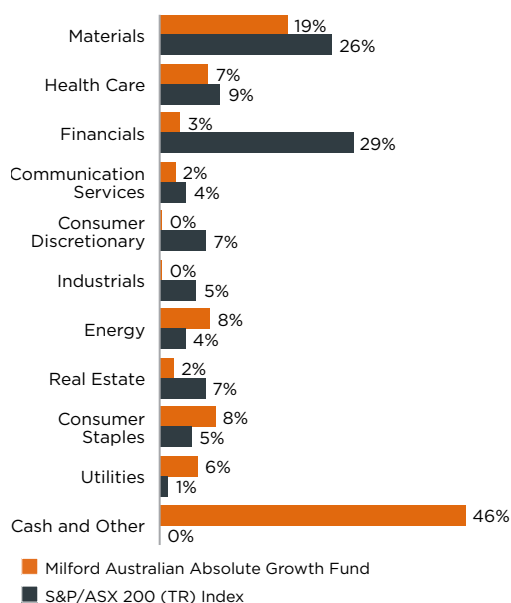
## Current Asset Allocation

	Actual	Typical Range	Maximum Range
Australian Equities*	54.42%	75-85%	0-100%
international Equities	0%	0-10%	0-30%
Cash and Other #	45.58%	0-10%	0-100%

\* Includes New Zealand Equities

# Effective Cash 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 last monthly report.



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.

Milford Australian Absolute Growth Fund's Target Market Determination is available at <https://milfordasset.com.au/forms-documents.au>. 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.

ZENITH DISCLAIMER: The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (assigned June/2021) referred to in this document is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at <http://www.zenithpartners.com.au/RegulatoryGuidelines>

The Zenith Fund Awards were issued October 2020 by Zenith Investment Partners (ABN 27 130 132 672, AFSL 226872) and are determined using proprietary methodologies. The Fund Awards are solely statements of opinion and do not represent recommendations to purchase, hold or sell any securities or make any other investment decisions. To the extent that the Fund Awards constitutes advice, it is General Advice for Wholesale clients only without taking into consideration the objectives, financial situation or needs of any specific person. Investors should seek their own independent financial advice before making any investment decision and should consider the appropriateness of any advice. Investors should obtain a copy of and consider any relevant PDS or offer document before making any investment decisions. Past performance is not an indication of future performance. Fund Awards are current for 12 months from the date awarded and are subject to change at any time. Fund Awards for previous years are referenced for historical purposes only.

LONSEC DISCLAIMER: The rating issued 08/2020 is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit [lonsec.com.au](http://lonsec.com.au) for ratings information and to access the full report. © 2020 Lonsec. All rights reserved.