

Milford Australian Absolute Growth Fund - R Class

May 2022



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

May was a challenging month for equity markets and was really a game of two halves. Early in the month concerns around slower global growth, against a backdrop of rising interest rates and tighter financial conditions weighed on sentiment. Whilst in the second half of the month markets bounced off their recent lows. Our cautious positioning helped the Australian Absolute Growth Fund end with a return of -2.1% compared to the ASX 200 return of -2.6%.

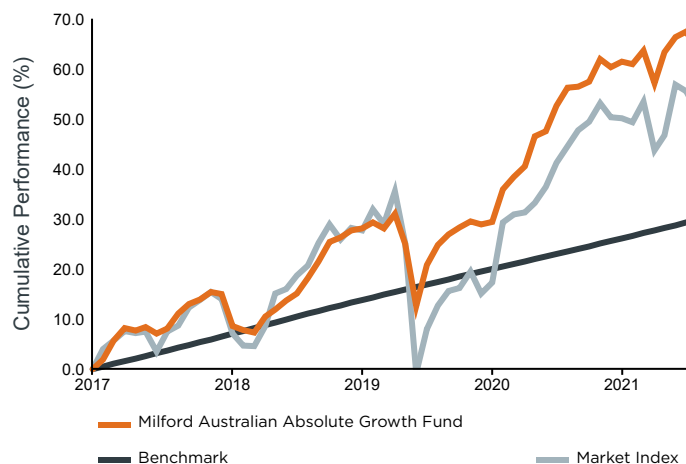
Our top performer was US energy company EOG Resources which rallied 17.3% over the month with strong oil prices. Other energy names such as Santos also did well over the month. Global fund management group GQG, rallied 17.1% on the back of strong performance, solid flows and the inclusion in a global index which supported technical buying. We generally like founder led businesses, and GQG is led by founding Portfolio Manager Rajiv Jain. He has significant skin in the game and much like our approach to investing, is an all-weather manager who should perform through the cycle.

Diversified miner BHP was also a positive contributor, benefitting from a significant shift in sentiment as investors increasingly reflected expectations Chinese stimulus will support steel demand.

We remain cautious about equity markets more broadly as they continue to transition in an environment of higher inflation, higher interest rates and tighter liquidity. As in all market conditions we continue to actively manage positions to take advantage of opportunities as they arise. We continue to favour positions in companies with resilient earnings such as supermarkets, neighbourhood shopping centre landlords and blood plasma company CSL. As monetary policy runs its course, valuations become more attractive and allocations to equities by investors normalise, we will be able to take a more bullish stance within the Fund.

This month we are pleased to welcome Jason Kururangi as a co-manager to the Fund. This is a reflection of Jason's impressive portfolio management track-record prior to joining Milford and his contribution to the Fund over the past couple of years.

Investment Performance to May 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.
Benchmark	RBA Cash Rate + 5% p.a.
APIR	ETL1090AU
mFund Code	MFA04
Redemption Price as at 31 May	\$1.0371
NAV as at 31 May	\$163.8 Million
Inception Date	October 2017
Minimum Investment	\$20,000
Recommended Investment Timeframe	5 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

Investment Performance to May 2022*

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)**
Milford Australian Absolute Growth Fund	-2.12%	1.88%	4.95%	11.52%	-	11.18%
Benchmark	0.44%	2.53%	5.12%	5.34%	-	5.76%
Over/Underperformance	-2.56%	-0.65%	-0.17%	6.18%	-	5.42%
S&P/ASX 200 (TR) Index	-2.60%	1.44%	4.84%	7.84%	-	9.31%
Over/Underperformance	0.48%	0.44%	0.11%	3.68%	-	1.87%

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	7.21%
BHP	4.12%
Metcash	3.64%
NAB	3.40%
Contact Energy	3.11%
Rio Tinto	2.93%
Suncorp Group	2.93%
Santos	2.58%
Telstra	2.50%
Irongate	2.39%

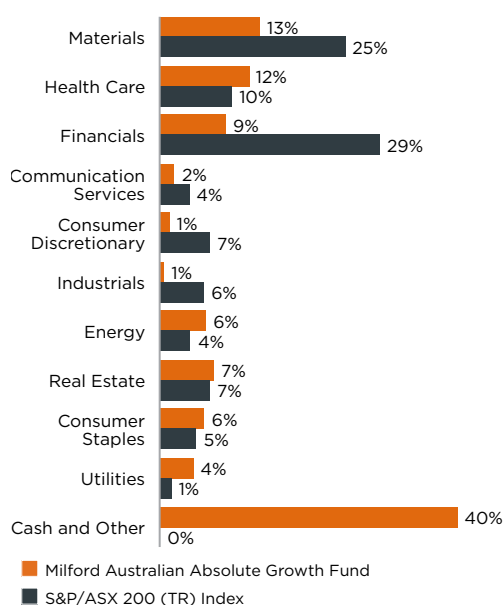
Current Asset Allocation

	Actual	Typical Range	Maximum Range
Australian Equities*	60.46%	75-85%	0-100%
International Equities	0%	0-10%	0-30%
Cash and Other #	39.54%	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.



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