

Milford Australian Absolute Growth Fund - R Class

October 2024



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager



Jason Kururangi
Co-Portfolio Manager

In October, the Fund returned -2.6%, underperforming the broader ASX 200 by 1.3%. After a strong September, October saw a modest retracement for global equity markets. Within Australia this was at least partially driven by moderating expectations around the size and scale of stimulus being expected out of China. This drove a reversion of flows from resources back into financials.

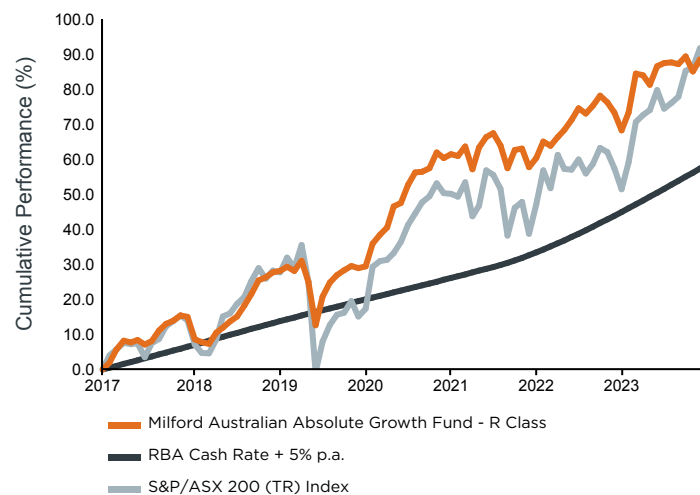
Key positive contributors include prospective uranium developer NexGen Energy (+20.1%), that rallied strongly on the back of improving sentiment towards nuclear power. This was fuelled by Amazon and Google in October, both announcing nuclear energy investment. This follows Microsoft's September agreement to restart the Three Mile Island nuclear generating station. Nuclear power has seen a resurgence, as big tech companies explore reliable low-carbon power sources.

Payment provider Block also performed well (+7.7%), as the US economy continued to grind higher, proving more resilient than many in the market feared. Gold miners Bellevue Gold (+23.1%) and Northern Star Resources (+11.0%) performed well as gold continued to rally, delivering better than feared quarterly updates. Key detractors over the month included terminal provider SmartPay (-34.2%) on domestic regulatory concerns, and Flight Centre (-28.5%) following a weak quarterly trading update.

We expect to see continued volatility in markets given the US election, Chinese fiscal policy and the conflict in the Middle East. Given the key areas of news flow around a US election and Chinese fiscal policy, it is hard to call market direction in the short term. We continue to be diversified in our existing holdings, while continuing to manage positions in businesses where the stock price runs ahead of fundamentals and add to those that have underperformed.

We will continue to actively manage our exposure to China and resources into November, depending on how news flow and announcements adjust their outlook.

Investment Performance to October 2024¹



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 Oct	\$0.9344
Fund Size*	\$462 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 October 2024

Investment Performance to October 2024²

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.) ³
Milford Australian Absolute Growth Fund - R Class ⁴	-2.58%	-2.07%	9.13%	4.38%	7.46%	8.95%
Benchmark	0.76%	4.61%	9.37%	7.92%	6.85%	6.72%
Excess Return	-3.34%	-6.68%	-0.24%	-3.54%	0.61%	2.23%
S&P/ASX 200 (TR) Index	-1.31%	8.44%	24.89%	8.00%	8.16%	9.41%
Excess Return	-1.27%	-10.51%	-15.76%	-3.62%	-0.70%	-0.46%

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

Top Security Holdings

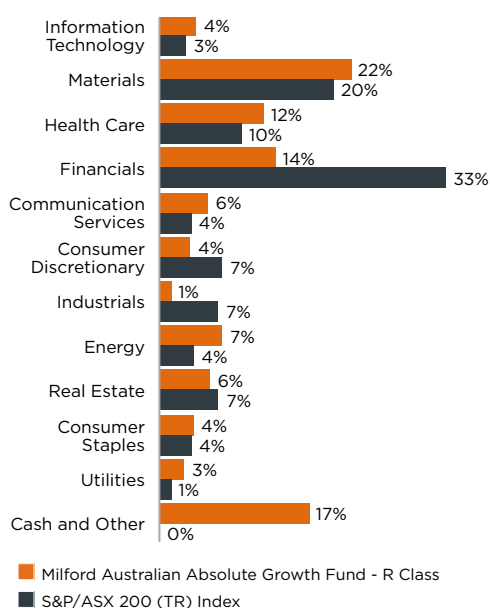
Holdings	% of Fund
CSL	6.41%
BHP	5.84%
Telstra	3.22%
Macquarie	3.05%
Goodman	2.80%
Woolworths	2.78%
Rio Tinto	2.60%
Santos	2.48%
NAB	2.41%
ANZ	2.36%

Current Asset Allocation

	Actual	Typical Range	Maximum Range
Australasian Equities	74.10%	75-85%	30-100%
Derivatives	1.82%	NA	NA [^]
International Equities	6.79%	0-10%	0-20%
Cash and Other	18.96%	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.

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.

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 - 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.