

# Milford Australian Absolute Growth Fund - W Class

November 2023



## Portfolio Managers



**William Curayne**  
Portfolio Manager



**Wayne Gentle**  
Portfolio Manager



**Jason Kururangi**  
Co-Portfolio Manager

November finally saw a reprieve for investment markets as some softening economic and inflation data allowed bond yields to fall and equity markets to rally. We were pleased to return 3.0% in the Fund over the month, helped by moving to more than 80% invested in equities at the start of the month. This decision was made due to more reasonable valuations for stocks after the recent pullback, more bearish positioning by investors (a contrarian buy signal) and a view that bond yields would moderate in the near term.

As the market rally played out over the month, some positions were trimmed, reducing our equity again slightly. We believe 2024 is unlikely to see a run-away bull market. Softening economic growth, structural inflation factors and relative attractiveness of bond yields and available cash rates make it unlikely money will continue to come into equities and sustain a rally that lasts more than two or three months. Base case for next year is a continued approximate 10% trading range in Australian equities, like we have seen this year, but with a higher risk of a downside breakout than an upside one. As such, we will likely take profits slowly on various investments and raise cash if this current rally continues over the next couple of months. Of course, various developments may change this view and we will react accordingly if so. For now, it is great to see some positive returns into year end.

Stock picking – as always – will be very important next year, particularly if the market continues to be range bound. In November our best performers were Neuren Pharmaceuticals (+44.6%) on upcoming trial results and Collins Foods (+24.1%) on a strong result. Neuren could rally further in December or fall sharply depending on the outcome of its phase II trial results. Our largest detractors were Santos and IGO, both off approximately 10% on weaker oil and lithium prices respectively. We did not yet add to either position but will watch closely in coming months. Some of the main buys over the month included adding back companies like NAB, Woolworths and Stockland post their recent weakness. Our very light exposures to those sectors allows us to do so comfortably.

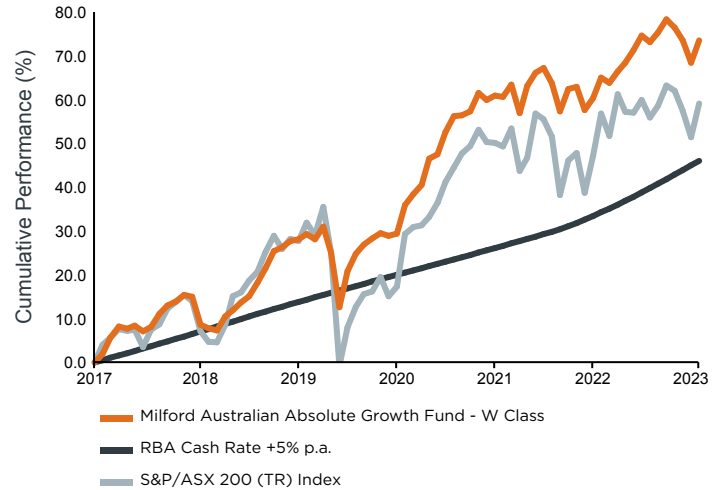


**Our award winning fund is now available on the ASX**

The Australian Absolute Growth Fund is now accessible as a listed share class on the ASX

**Look for ticker code: MFOA**

## Investment Performance to November 2023<sup>1</sup>



## Key Fund Facts

<b>Objective</b>	Absolute returns with an annualised return of 5% above the RBA Cash Rate while seeking to preserve investor capital over rolling three-year periods.
<b>Description</b>	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>	ETL8155AU
<b>Redemption Price as at 30 Nov</b>	\$1.1652
<b>Fund Size*</b>	\$326.9 Million
<b>Inception Date</b>	October 2017
<b>Minimum Investment</b>	\$50,000
<b>Recommended Investment Timeframe</b>	7 years +
<b>Buy-sell Spread</b>	+/-0.20%
<b>Entry/Exit Fee</b>	Nil
<b>Management Fee</b>	0.90%
<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

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

## Investment Performance to November 2023<sup>2</sup>

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.) <sup>3</sup>
Milford Australian Absolute Growth Fund - W Class	3.04%	0.24%	5.18%	8.49%	9.99%	9.36%
Benchmark	0.73%	4.47%	8.76%	6.62%	6.29%	6.33%
Over/Underperformance	2.31%	-4.23%	-3.58%	1.87%	3.70%	3.03%
S&P/ASX 200 (TR) Index	5.03%	2.05%	1.45%	7.15%	8.72%	7.82%
Over/Underperformance	-1.99%	-1.81%	3.73%	1.34%	1.27%	1.54%

## Top Security Holdings

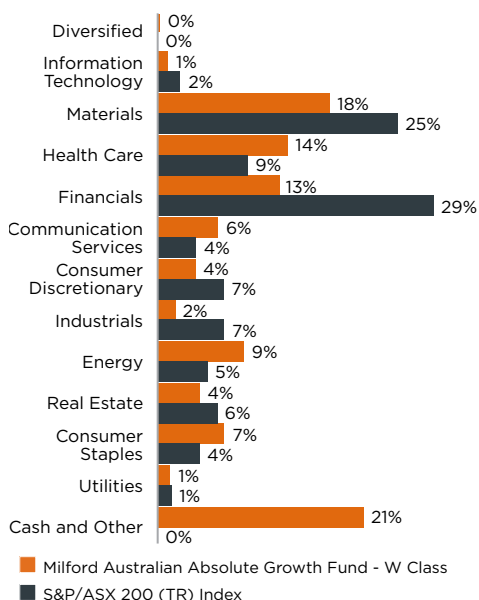
Holdings	% of Fund
BHP	6.46%
CSL	6.06%
Telstra	5.00%
Rio Tinto	4.32%
Woolworths	4.19%
Newmont	3.85%
NAB	3.39%
Viva Energy Group	3.25%
Santos	3.18%
Suncorp Group	2.34%

## Current Asset Allocation

	Actual	Typical Range	Maximum Range
Australasian Equities	70.08%	75-85%	0-100%
Derivatives	5.27%	NA	NA <sup>^</sup>
International Equities	3.35%	0-10%	0-20%
Cash and Other	26.52%	0-20%	0-50%

<sup>^</sup> refer to PDS for limits on derivative exposure

## Sector Allocation



## Ratings



**Morningstar Medalist Rating™**  
As at 31-08-2023  
Analyst-Driven % 55  
Data Coverage % 98

## 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.



## Milford Australian Absolute Growth Fund November 2023

### Platform Availability

Asgard, BT Panorama, CFS FirstWrap, HUB24, IOOF, Macquarie Wrap, Mason Stevens, MLC, MyNorth, Netwealth, PowerWrap, Praemium.

Also now available as a listed active ETF, ASX:MFOA.

For more information on the listed class visit: [milfordasset.com.au/MFOA](https://milfordasset.com.au/MFOA)

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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.

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Milford Australian Absolute Growth Fund - W 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.

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The Morningstar Medalist Rating™ for Milford Australian Absolute Growth Fund - W Class is "Bronze" as of 31/08/2023.

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