

Australian Absolute Growth Fund

December 2017



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

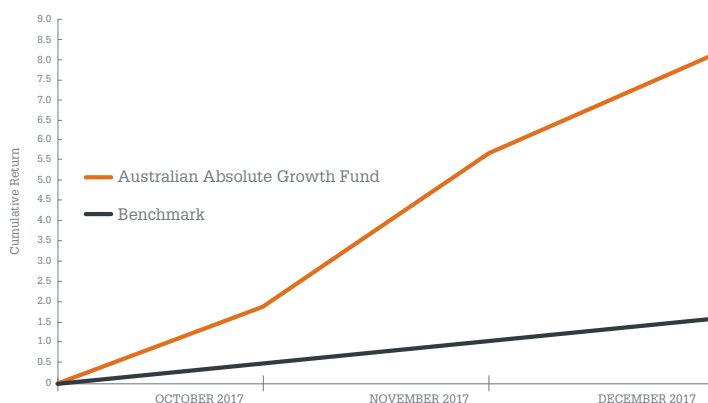
The Fund continued its strong start with a further 2.4% return in December, benefitting from a large position in Westfield which received a takeover offer from European shopping centre giant, Unibail-Rodamco. We sold most of our holding at \$9.72 a share, realising a 16% gain for the month on this investment.

We have been switching some money from Australian income equities/high dividend yield investments to New Zealand income equities where we see good value, making the relative value in favour of the New Zealand income equities. The Fund is now 77% invested in equities and 3% in fixed income assets.

We have a reasonably optimistic view on the Australian market for 2018. The economy is in better shape today than it was this time last year, with improvements seen in both employment and business activity although we have yet to see any improvements in the consumer sector. The Australian share market is a bit more expensive than in recent history, but equity returns remain attractive relative to low interest rates and we are still finding

reasonably priced companies to invest in on a regular basis. We will be carefully watching for any negative developments – namely a large spike in inflation or greater than expected slowing of growth in China – and will manage the portfolio accordingly.

Investment Performance to December 2017*



*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 benchmark while seeking to preserve investor capital.
Description	A diversified portfolio of predominantly Australian equities, complemented by selective exposure to international equities, fixed interest securities and cash. The Fund may use derivatives and foreign currency hedging.
Benchmark	RBA cash rate + 5% per annum
Redemption Price as at 31 Dec	\$1.0859
NAV as at 31 Dec	\$48.8 Million
Inception Date	October 2017
Minimum Investment	\$20,000

Recommended Investment Timeframe	5 years+
Buy-sell spread	+/- 0.20%
Entry/Exit Fee	Nil
Distribution frequency	Annual (30 June)
Management Fee*	1.00%
Capped expense recovery*	0.10%
Performance Fee*	15% p.a. of returns above the benchmark subject to achieving the high watermark.
Fund pricing	Daily

*Fees are stated exclusive of GST.

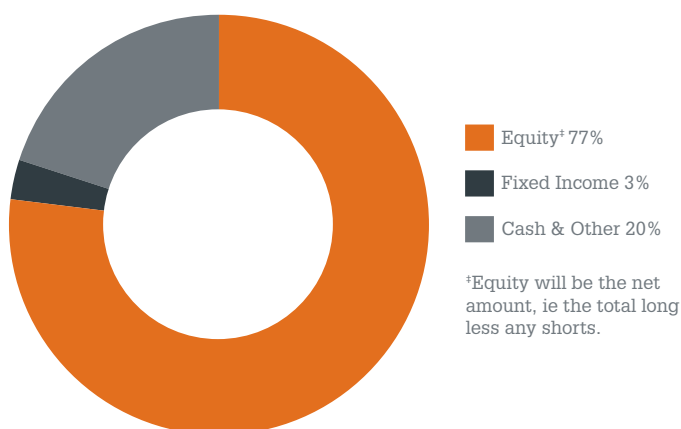
Investment Performance to December 2017*

	1 Month	6 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)	Since inception**
Australian Absolute Growth Fund	2.41%	-	-	-	-	8.22%
Benchmark	0.53%	-	-	-	-	1.59%

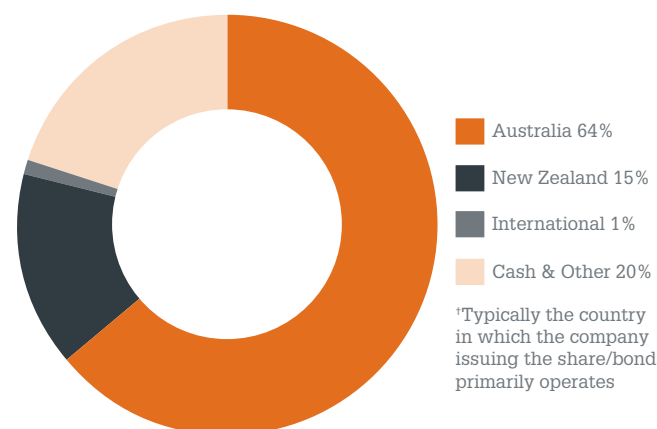
*Net performance figures are shown after all fees and expenses, and assumes reinvestment of distributions.

** Inception date of the Fund is 2 October 2017.

Current Asset Allocation



Current Country Allocation†



Top Security Holdings

Companies	% of Fund Net Assets
National Australia Bank	4.44%
Westpac Banking Corp	4.05%
Contact Energy	3.12%
Chorus	2.72%
Spark New Zealand	2.53%
Scentre Group	2.08%
Graincorp	1.99%
Virgin Australia	1.92%
Orora	1.87%
Amcor	1.84%

Fund Changes

There have been no material changes to the below information since the last monthly report:

- The Fund's risk profile
- The Fund's strategy

There have been no changes to the below information since the PDS was issued:

- Key service providers
- Individuals playing a key role in investment

Milford Australia Pty Ltd ABN 65 169 262 971
 AFSL 461253 Suite 5, Level 33, MLC Centre
 19-29 Martin Place, Sydney NSW 200
 Phone **1300 133 451** milfordasset.com



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 EOT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EOT). 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 its related parties, their employees or directors, provide and warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an 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.