

Australian Absolute Growth Fund (AUT)

(available to Australian tax residents only)



September 2018

Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

The Fund was relatively flat in September, returning -0.4%. The Australian share market was weak early in the month on the back of global trade war headlines but recovered as the month progressed.

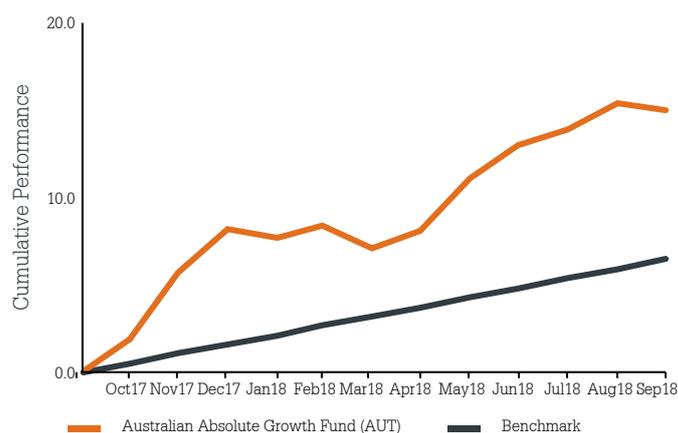
Collins Foods was our top contributor in September. Collins Foods' main assets are KFC franchises in Australia, Germany and the Netherlands. It is not a high growth business, but it does achieve some growth each year by opening and acquiring new stores. Combined with consistent earnings and a reasonable dividend, this moderate growth makes for an attractive investment. The shares rallied in September as investors purchased them ahead of the upcoming investor day in October.

Other strong performers for the month were Sundance Energy and Rio Tinto which rallied with commodity prices.

Our worst contributor was toll road operator Transurban which fell 5.5% following a large capital raising to fund the purchase of a new motorway network in Sydney. The increase in US bond rates also caused some selling of high dividend yield companies

like Transurban. We maintain a positive outlook on Transurban as we believe that demand for well-located toll roads will continue to grow very strongly over the next decade as traffic congestion increases in major cities like Sydney and Melbourne.

Investment Performance to September 2018[^]



[^] 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. May use derivatives and foreign currency hedging.
Benchmark	RBA Cash Rate + 5% p.a.
Redemption Price <small>as at 30 Sep</small>	\$1.1015
NAV <small>as at 30 Sep</small>	\$92.4 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.

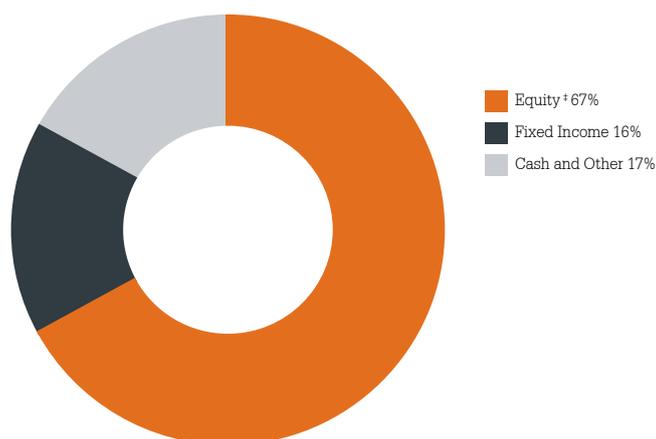
Investment Performance to September 2018[†]

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since Inception ^{**}
Australian Absolute Growth Fund (AUT)	-0.40%	7.33%	14.98%	-	-	14.98%
Benchmark	0.53%	3.20%	6.50%	-	-	6.50%

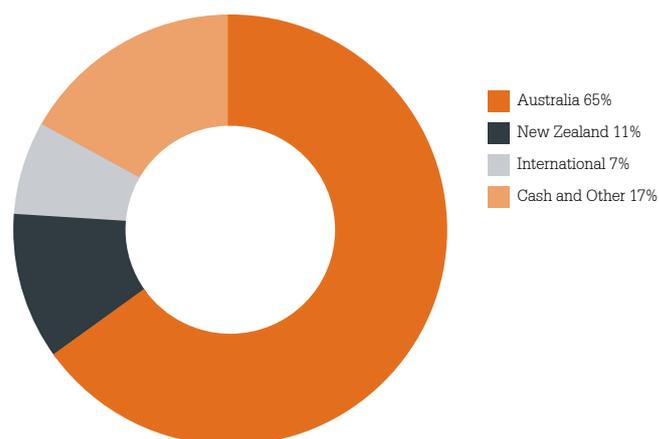
* Net performance figures are shown after all fees and expenses, and assumes reinvestment of distributions.

** Inception date of the Fund is 2 October 2017

Current Asset Allocation¹



Current Country Allocation^{††}



Top Security Holdings

Holdings	% of Fund's NAV
ANZ 2.12% 2018	7.19%
Commonwealth Bank	4.28%
Collins Foods	3.65%
Credit Corp Group	3.34%
Orora	2.98%
Transurban Group	2.89%
Boral	2.80%
Mirvac Group	2.40%
Unibail-Rodamco West	2.33%
National Australia Bank	2.25%

Note: Fixed interest securities are reported in the following format: Issuer name, interest (coupon rate), maturity year.

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

¹The actual investment mix incorporates the notional exposure value of equity derivatives and credit default swaps, where applicable.

[†]Equity will be the net amount, ie the total long less any shorts.

^{††}Typically the country in which the company issuing the share/bond primarily operates.

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