

# Milford Australian Absolute Growth Fund

ETL8155AU

September 2020



## Portfolio Managers



**William Curtayne**  
Portfolio Manager



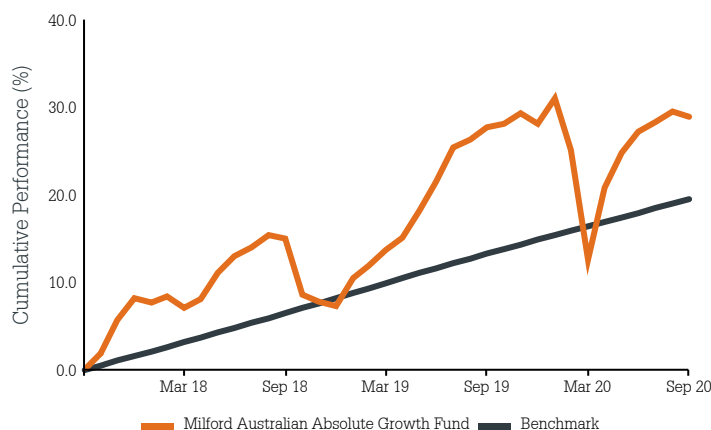
**Wayne Gentle**  
Portfolio Manager

The Fund largely held ground in September with a 0.5% decline as the ASX 200 fell 3.7%. The Fund's positioning in higher quality companies with valuation support insulated the portfolio from substantial losses over the month.

Sealink was the strongest performer (+18.3%) on anticipation of further contract wins in its transport business. We also expect their ferry and accommodation services to do well as Australians travel locally this summer. Our largest detractor was Woolworths (-7.0%) which pulled back after strong recent gains. We took the opportunity to increase our position into this decline. Woolworths has a very stable business, and we anticipate it can generate close to 10% annual returns over the coming years.

We enter an interesting period until the end of the year where the outcome of various events will largely determine the fortunes of the equity markets. These events include fiscal stimulus packages, developments on COVID-19 vaccines and the outcome of the US presidential election. Positive outcomes will likely see the underperforming cyclical sectors such as REITs and financials outperform, while negative outcomes will likely see general market weakness and outperformance from defensive stocks such as supermarkets and healthcare. Our portfolio is positioned towards higher quality defensive holdings with some contrarian cyclical investments that would perform strongly on positive fiscal and vaccine developments.

## Investment Performance to September 2020\*



\* 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
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.
mFund Code	MFA01
Redemption Price <small>as at 30 Sep</small>	\$1.1075
NAV <small>as at 30 Sep</small>	\$124.9 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 subject to a minimum of 60%

## Investment Performance to September 2020<sup>†</sup>

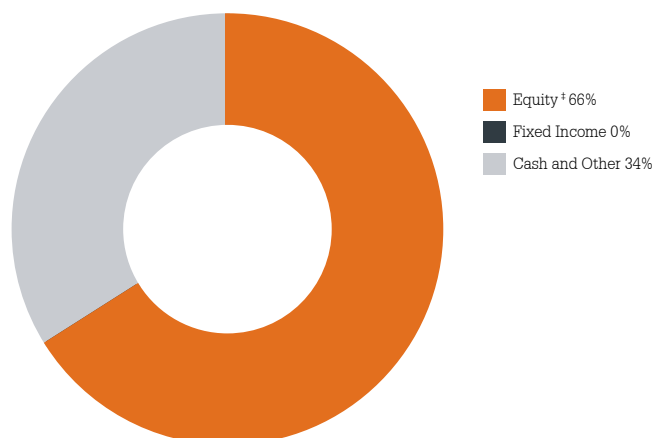
	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)**
Milford Australian Absolute Growth Fund	-0.50%	14.46%	0.92%	8.83%	-	8.84%
Benchmark	0.42%	2.60%	5.48%	6.11%	-	6.12%

Past performance is not reliable indicator of future performance.

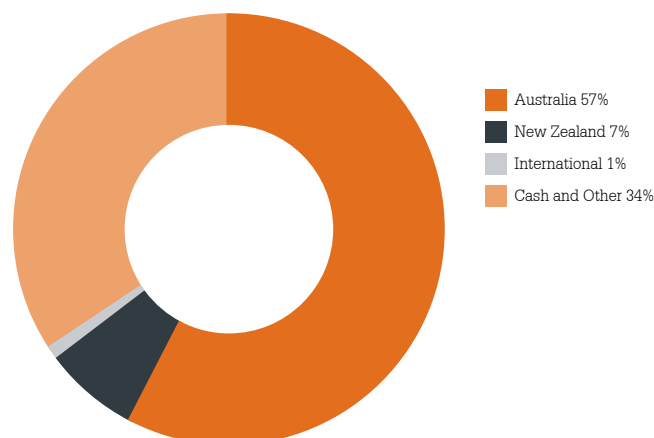
\* Net performance figures are shown after all fees and expenses, and assumes reinvestment of distributions.

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

## Current Asset Allocation<sup>1</sup>



## Current Country Allocation<sup>†1</sup>



## Top Security Holdings

Holdings	% of Fund's NAV
Woolworths	6.35%
CSL	6.01%
National Australia Bank	5.23%
Transurban Group	3.73%
BHP Group	3.31%
Spark New Zealand	3.12%
ANZ Banking Group	3.11%
Mirvac Group	2.89%
Charter Hall Retail	2.45%
IAG	2.28%

## 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

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

<sup>†</sup> Equity will be the net amount, ie the total long less any shorts.

<sup>†1</sup> Typically the country in which the company issuing the share/bond primarily operates

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