

Australian Absolute Growth Fund (AUT)

(available to Australian tax residents only)



April 2019

Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

The Fund continued its positive performance in April with a 1.2% gain. Equities globally continue to recover, and the Australian market was buoyed by expectations of a rate cut by the RBA.

The a2 Milk Company was our top performer for the month with a 17.2% increase. Lower global interest rates have pushed valuations on growth stocks significantly higher including a2 Milk. We trimmed our position into the strength but retain most of our holding.

Other top performers include Treasury Wine Estate which rallied as the market became more comfortable with the outlook for their Asian division. Our Bank shares – Westpac and Commonwealth Bank – were strong performers with 6.1% and 5.5% gains respectively. Again, they benefitted from lower interest rates. We have reduced our position in banks with a cautious view on their upcoming results.

Our worst performer was Evolution Mining which fell 12.8%. After strong performance over the last six months the stock took a breather with the pull back in the price of gold. Our other weaker performers were New Zealand high dividend yield companies Contact Energy (-3.3%) and Spark New Zealand (-3.9%). They both gave back some of their strong gains in recent

months and Spark was impacted by the departure of its CEO.

We added three new companies (Bapcor, Credit Corp Group and Cochlear) to the portfolio in April and expect more to be added over the coming months.

Investment Performance to April 2019*



* 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, 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 Apr</small>	\$1.1027
NAV <small>as at 30 Apr</small>	\$89.2 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.

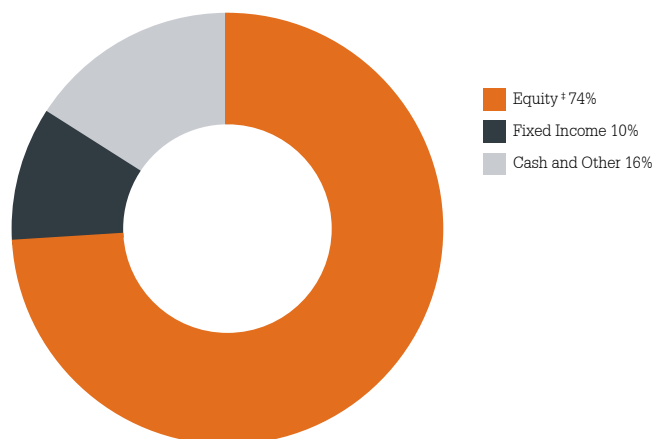
Investment Performance to April 2019*

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)**
Australian Absolute Growth Fund (AUT)	1.24%	6.01%	6.49%	-	-	9.35%
Benchmark	0.52%	3.17%	6.50%	-	-	6.52%

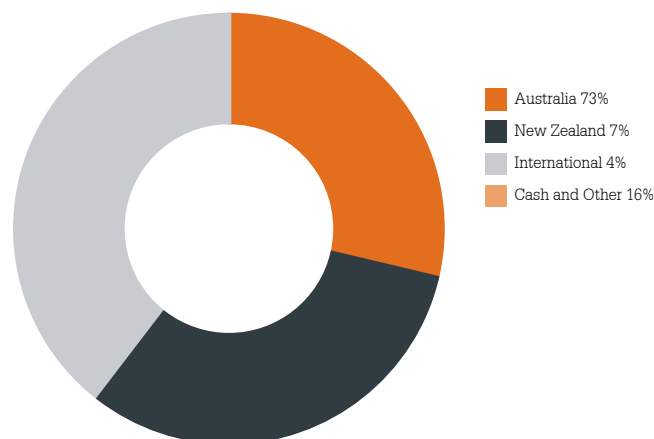
* Net performance figures are shown after all fees and expenses, and assumes reinvestment of distributions.

** Inception date of the Fund is 2 October 2017

Current Asset Allocation¹



Current Country Allocation¹¹



Top Security Holdings

Holdings	% of Fund's NAV
CSL	5.01%
Commonwealth Bank	4.02%
Westpac Banking Corp	3.61%
Transurban Group	3.60%
BHP Group	3.41%
Rio Tinto	3.00%
National Australia Bank	2.86%
Contact Energy	2.42%
Evolution Mining	2.25%
Bapcor	2.25%

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

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

¹¹ Equity will be the net amount, ie the total long less any shorts.

¹¹ Typically the country in which the company issuing the share/bond primarily operates

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.au

