

# Milford Australian Absolute Growth Fund

## January 2020



### Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Wayne Gentle**  
Portfolio Manager

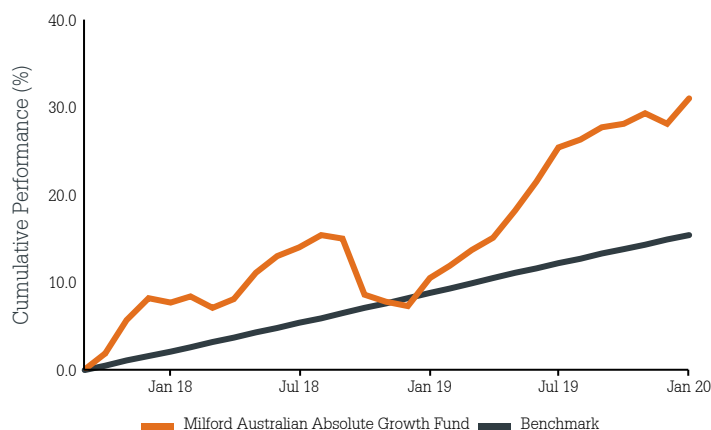
The Fund had a strong start to the year, up 2.3% in January, as the Australian market rallied sharply before giving up some gains later in the month when the coronavirus emerged as a serious concern. Oil was particularly weak as the market anticipates weaker growth from China and air travel. This saw some losses in our energy and other resources companies that declined in-line with their associated commodity prices. These situations are generally temporary, and demand recovers once the outbreak is contained. We will monitor the situation closely to see if any changes in our holdings are required as new information emerges.

Property owner and manager Charter Hall Group was our largest winner for the month, as it continues to benefit from lower interest rates and increased demand for real estate assets. We expect continued strong earnings growth from the company this year.

Our biggest detractor was Sealink Travel Group, which continued to sell-off as the local tourism industry continues to be impacted by bushfires and coronavirus. As mentioned last month, we are not concerned about lasting impacts on Sealink's business.

The Fund had sold or reduced certain positions over January as the market climbed to new highs and the investments reached our valuation targets. In the coming month we have half-year results which should expose some opportunities to reinvest our capital.

### Investment Performance to January 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, fixed interest securities and cash. May use derivatives and foreign currency hedging.
Benchmark	RBA Cash Rate + 5% p.a.
Redemption Price <small>as at 31 Jan</small>	\$1.2254
NAV <small>as at 31 Jan</small>	\$109.7 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.

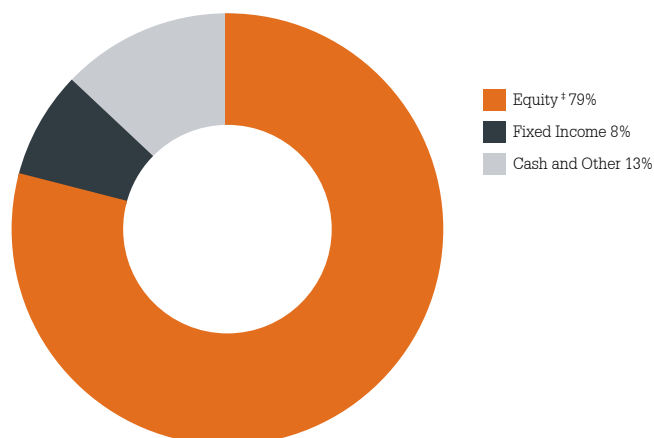
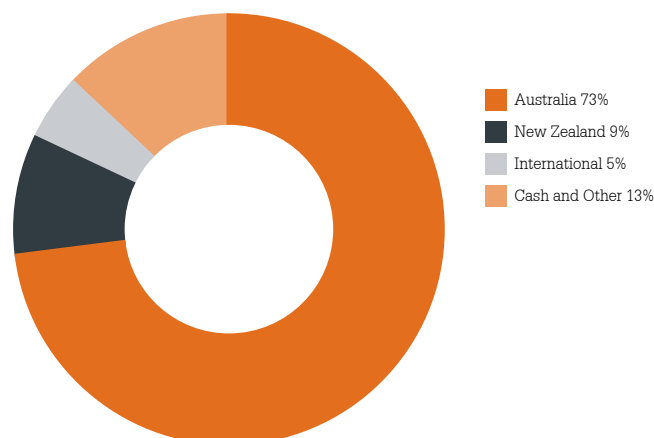
Investment Performance to January 2020<sup>1</sup>

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)**
Milford Australian Absolute Growth Fund	2.25%	4.48%	18.57%	-	-	12.28%
Benchmark	0.48%	2.90%	6.10%	-	-	6.35%

Past performance is not a 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>11</sup>

## Top Security Holdings

Holdings	% of Fund's NAV
BHP Group	5.61%
Woodside Petroleum	4.62%
Charter Hall Group	4.13%
National Australia Bank	3.41%
Aristocrat Leisure	2.98%
a2 Milk Company	2.81%
Australian Finance Group	2.78%
CSL	2.58%
Macquarie Group	2.56%
AMA Group	2.37%

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

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

<sup>11</sup> Equity will be the net amount, ie the total long less any shorts.

<sup>11</sup> 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

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