

Milford Australian Absolute Growth Fund

March 2021



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager

The Australian Absolute Growth Fund returned 0.7% in March which brings returns over the last year to 31.0%.

We had a diverse mix of businesses drive our performance during the month. Telstra rallied 10.4% as investors focused more on its potential valuation following the upcoming separation of its infrastructure assets next year. This is a key reason why we see still further upside in Telstra over the medium term.

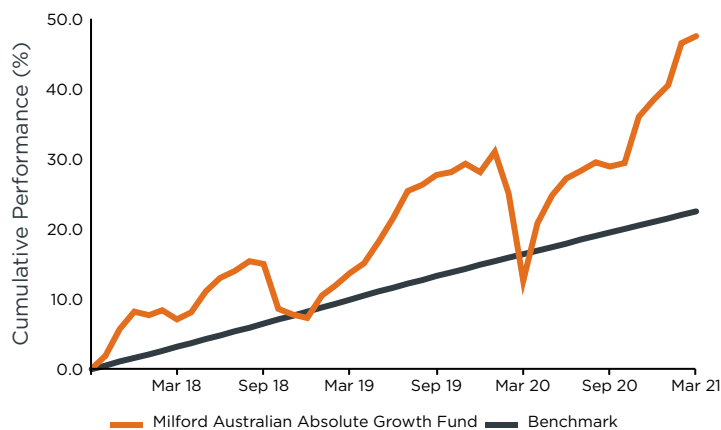
We also had strong contributions from the Bank of Queensland capital raise that we underwrote in February, and Genworth Mortgages which we bought in a discounted sell down by its North American parent. Both businesses are benefitting from accelerating housing credit growth and stronger house prices which lead to lower bad debts and insurance losses.

US-focused cyclical companies also provided strong returns. Aristocrat (+13.1%) is benefitting from the reopening US economy while Bluescope (+16.0%) has a large North American steel business that is generating enormous levels of cash flow as margins on US steel products sustain record levels. Bluescope's Australian operations are also doing very well due to strong demand for Colorbond roofs.

Our largest negative performers over the month were mining companies BHP, Rio Tinto and IGO which pulled back after strong gains in recent months. We were anticipating this pullback and invested more into these businesses later in the month.

During the month we added a US listed company called CNH Industrial. CNH is the world's second largest manufacturer of large farming equipment e.g. tractors. We anticipate farming equipment sales to be extremely strong over the coming years as many agricultural commodity prices reach decade highs. This should translate to high farmer cashflows and reinvestment in farming equipment. Our cash levels declined to 6% over the month as the pullback in various cyclicals we were waiting for occurred. In addition to CNH, and the miners mentioned above, we also added to investments in gold miner Northern Star, Santos, CSL, Contact Energy and various banks that pulled back in late March.

Investment Performance to March 2021*



* 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.
APIR	ETL8155AU
mFund Code	MFA01
Redemption Price as at 31 Mar	\$1.2677
NAV as at 31 Mar	\$172.8 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 March 2021*

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)**
Milford Australian Absolute Growth Fund	0.70%	14.47%	31.02%	11.25%	-	11.76%
Benchmark	0.42%	2.52%	5.19%	5.88%	-	5.97%
Over/Underperformance	0.28%	11.95%	25.83%	5.37%	-	5.79%
S&P/ASX 200 (TR) Index	2.44%	18.54%	37.47%	9.65%	-	9.29%
Over/Underperformance	-1.74%	-4.07%	-6.45%	1.60%	-	2.47%

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.

Top Security Holdings

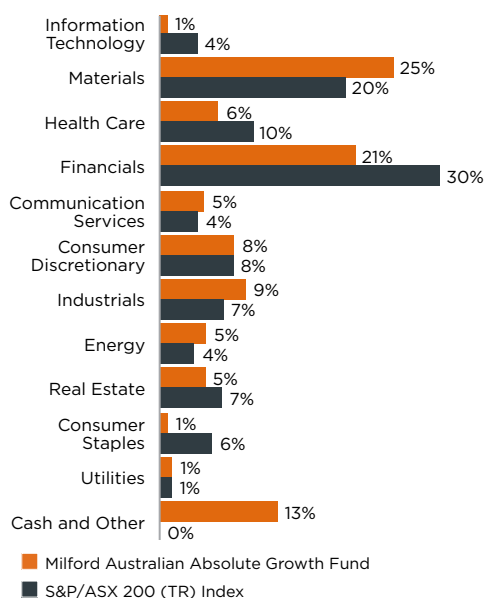
Holdings	% of Fund
NAB	7.03%
BHP	6.79%
CSL	5.79%
Rio Tinto	5.18%
Telstra	3.89%
Santos	3.50%
IGO	3.47%
Northern Star	3.14%
Charter Hall Retail	3.08%
Aristocrat Leisure	3.07%

	Actual	Typical Range	Maximum Range
Australian Equities*	84.65%	75-85%	0-100%
International Equities	2.67%	0-10%	0-30%
Cash and Other#	12.68%	0-10%	0-100%

* Includes New Zealand Equities

Cash and Other reported above is adjusted to reflect the Fund's notional positions.

Sector Allocation



Ratings



Awards



Fund Changes

There have been no material changes to the Fund's risk profile or strategy since the last monthly report. There have been no changes to the key service providers or individuals playing a key role in investment since the PDS was issued.

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