

Milford Australian Absolute Growth Fund

May 2021



Portfolio Managers



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Portfolio Manager



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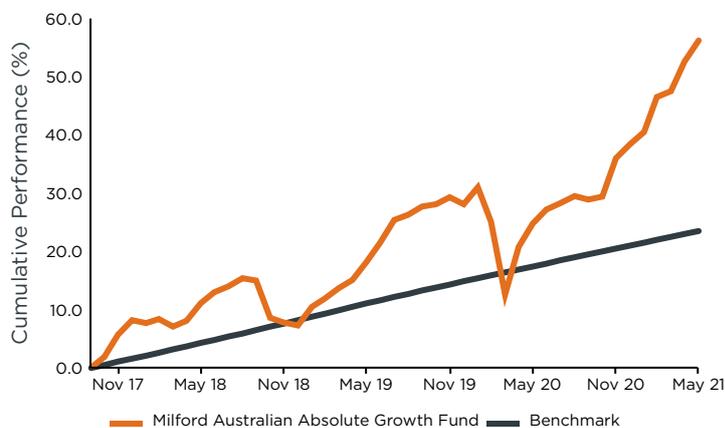
May was a volatile but still productive month for the Australian Absolute Growth Fund which gained 2.3% over the month. This brings the return for the calendar year to 12.9%.

At the beginning of May, the ASX 200 had a strong rally driven by a lot of the cyclical names we have favoured this year, including banks and miners. With signs of some short-term overheating in commodity markets we used this opportunity to trim our position in miners BHP, RIO, IGO and Oz Minerals. We also sold out of CBA as the bank climbed sharply towards \$100 a share. Overall, the Fund retains significant positions in miners and banks through NAB, Westpac and Virgin Money UK where we have a positive medium-term view.

Some notable performers over the month were CSL, which rallied 7.0% as evidence emerged of improving plasma collection in the US. Tractor manufacturer CNH Industrial rallied 15.6% after reporting a strong result earlier in the month. And our gold miners were notable performers with Northern Star up 11.3% and Evolution Mining up 16.8%. The gold price has recovered to -US\$1,900/oz from its April lows of under US\$1,700/oz. We think the current inflation pressures around the world may drive further demand for gold as an inflation hedge over the next couple of months that may see gold climb back above US\$2,000/oz. However, this is no sure thing as any hawkish moves from the US Federal Reserve will likely see a stronger US Dollar and lower gold price. We plan to reduce our gold mining exposure ahead of key US Fed meetings over the coming months.

Our cash levels increased again in May as the above-mentioned profit taking in cyclicals was greater than various purchases we made in companies like Woolworths. We are comfortable with slightly more cash in the short-term as the Australian markets sits at record levels and the Fund has already made strong gains this year. We will deploy the cash when attractive risk-adjusted opportunities present.

Investment Performance to May 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 over rolling three-year periods.

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 May	\$1.3419
NAV as at 31 May	\$192.6 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.

Milford Australian Absolute Growth Fund May 2021

Investment Performance to May 2021*

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)**
Milford Australian Absolute Growth Fund	2.35%	14.87%	25.15%	12.03%	-	12.94%
Benchmark	0.42%	2.50%	5.15%	5.80%	-	5.93%
Over/Underperformance	1.93%	12.37%	20.00%	6.23%	-	7.01%
S&P/ASX 200 (TR) Index	2.34%	11.74%	28.23%	9.94%	-	10.56%
Over/Underperformance	0.01%	3.13%	-3.08%	2.09%	-	2.38%

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 02 October 2017.

Top Security Holdings

Holdings	% of Fund
NAB	6.50%
BHP	5.78%
CSL	5.65%
Woolworths	4.45%
Telstra	4.05%
Evolution Mining	3.39%
Northern Star	3.18%
Rio Tinto	3.07%
Virgin Money	2.95%
Santos	2.90%

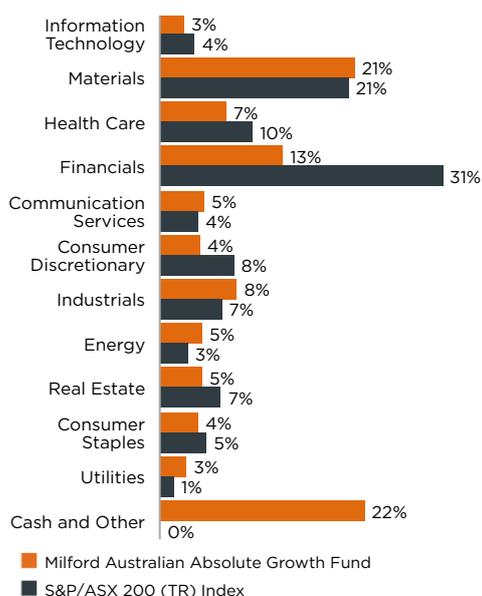
Current Asset Allocation

	Actual	Typical Range	Maximum Range
Australian Equities*	76.22%	75-85%	0-100%
International Equities	1.51%	0-10%	0-30%
Cash and Other#	22.27%	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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