

# Milford Australian Absolute Growth Fund - W Class

## February 2025



### Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Wayne Gentle**  
Portfolio Manager



**Jason Kururangi**  
Co-Portfolio Manager

The Fund was down 3.5%, broadly ahead of the Australian equity market. Our more defensive positioning against the ASX200 helped cushion some of the volatility during the month. February was a tough month for global equity markets as markets pulled back on continued uncertainty relating to Trump's tariffs, risks of higher inflation, lower consumer spending and perceptions of slowing growth in the US.

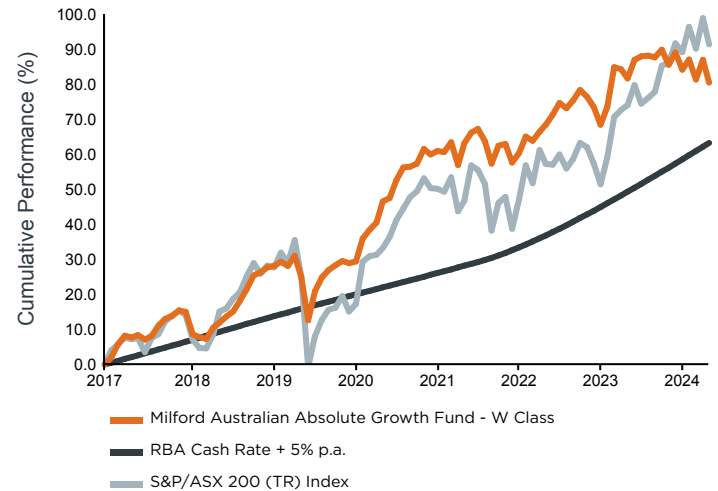
In Australia, February was focused on a volatile reporting season. At a sector level, defensives performed the best during the month, led by utilities and telecommunications where earnings certainty was rewarded. At a stock level, key performers for the Fund this month included a2 Milk (+35.3%) on the back of better than expected results and upgraded guidance. BlueScope Steel (+16.0%) continued its strong performance as the company reported results that identified medium term cost opportunities, more prudent capital allocation and benefits from higher US steel prices. Given several strong months of gains and record gold prices we took profits on a number of our gold mining positions that have done well in the Fund. We remain medium bullish on gold and will be looking to add on pullbacks.

Key detractors included weakness from Viva Energy (-33.7%) which disappointed the market on weaker results within its convenience business, with reduced revenue from tobacco, due to illicit tobacco sales in the industry, continuing to drag on Viva Energy's profitability. Viva has given up its gains from 2021 to 2024 but we maintain a modest holding today. This reflects the uncertainty in its convenience business, as well as the attractive strategic value of its refining and commercial businesses. Insurer IAG (-12.4%) was also weak after announcing results that highlighted a slowing premium growth environment which saw the market punish their shares. Insurers have done very well for the Fund over the last few years, and we have been reducing holdings over the last six months as the insurance cycle matured.

We remain constructive on the Australian economy given stimulatory fiscal policy, and our expectations for a modest interest rate cutting cycle. We do however anticipate significant volatility in markets to remain as the market continues to react to a news flow driven by the Trump presidency and potentially slower US growth rates. When it comes to equity market performance, this backdrop leaves us cautious on the outlook while we walk towards an upcoming federal election in Australia. On the back of this we have entered March with what we see as a prudent invested level, having decreased our equity exposure to manage through this period of heightened volatility, adding to some defensive holdings as well as adding some downside protection to the Fund through put options.

### Cumulative Performance (after fees and expenses)

28 February 2025



Performance since inception and assumes reinvestment of distributions. Past performance is not a reliable indicator of future performance.

### Key Fund Facts

<b>Objective</b>	Absolute returns with an annualised return of 5% above the RBA Cash Rate while seeking to preserve investor capital over rolling three-year periods.
<b>Description</b>	A diversified portfolio of predominantly Australian equities, complemented by selective exposure to international equities and cash. May use derivatives and foreign currency hedging.

<b>Benchmark</b>	RBA Cash Rate + 5% p.a.
<b>APIR</b>	ETL8155AU
<b>Redemption Price as at 28 Feb</b>	\$1.1624
<b>Fund Size*</b>	\$459.4 Million
<b>Inception Date</b>	October 2017
<b>Minimum Investment</b>	\$50,000
<b>Recommended Investment Timeframe</b>	7 years +
<b>Buy-sell Spread</b>	+/-0.20%
<b>Entry/Exit Fee</b>	Nil
<b>Management Fee</b>	0.90%
<b>Performance Fee</b>	15.35% p.a. of returns above the benchmark subject to achieving the high watermark.
<b>Fund Pricing</b>	Daily
<b>Distribution Frequency</b>	Biannual

\*The Fund Size represents the total assets of the fund

The Australian Absolute Growth Fund is now accessible as a listed share class on the ASX



Look for Ticker Code: MFOA

# Milford Australian Absolute Growth Fund as at 28 February 2025

## Investment Performance to 28 February 2025

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Australian Absolute Growth Fund - W Class	-3.46%	-3.52%	-0.63%	3.42%	7.61%	8.29%
RBA Cash Rate + 5% p.a.	0.68%	2.22%	9.34%	8.39%	7.08%	6.83%
Excess Return	-4.14%	-5.74%	-9.97%	-4.97%	0.53%	1.46%
S&P/ASX 200 (TR) Index	-3.79%	-2.56%	9.94%	9.23%	8.87%	9.14%
Excess Return	0.33%	-0.96%	-10.57%	-5.81%	-1.26%	-0.85%

Past performance is not a reliable indicator of future performance. Returns greater than one year are annualised.

## Top Security Holdings

Holdings	% of Fund
BHP	4.45%
CSL	4.17%
Amcor	2.94%
NAB	2.77%
Rio Tinto	2.42%
Resmed	2.25%
Xero	2.14%
Car Group	2.01%
Macquarie	1.98%
Origin Energy	1.86%

## Current Asset Allocation

	Actual	Typical Range	Maximum Range
Australasian Equities	68.78%	75-85%	30-100%
Derivatives	-8.19%	NA	NA <sup>^</sup>
International Equities	4.35%	0-10%	0-20%
Cash and Other	25.27%	0-20%	0-50%

<sup>^</sup> Refer to PDS for limits on derivative exposure.

## Ratings

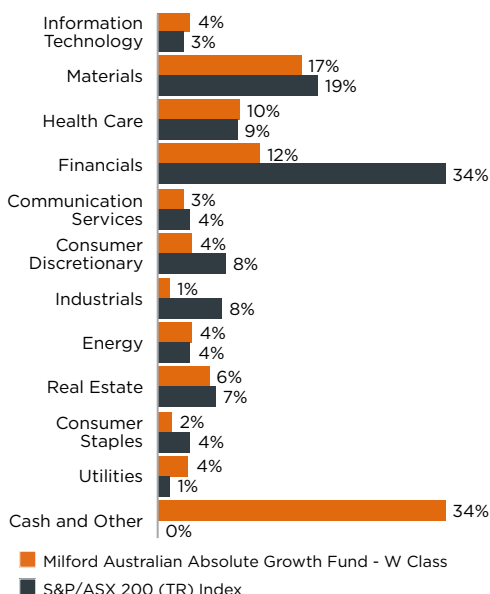


**Morningstar Medalist Rating™**  
As at 30-11-2024  
Analyst-Driven % 55  
Data Coverage % 98

## Awards



## Sector Allocation



## 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 last monthly report.



## Milford Australian Absolute Growth Fund as at 28 February 2025

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### Platform Availability

Asgard, BT Panorama, CFS FirstWrap, Dash, GrowWrap, HUB24, IOOF, Macquarie Wrap, Mason Stevens, MLC, MyNorth, Netwealth, PowerWrap, Praemium.

Also now available as a listed active ETF, ASX:MFOA.

For more information on the listed class visit: [milfordasset.com.au/MFOA](https://milfordasset.com.au/MFOA)

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