

Milford Australian Absolute Growth Fund - R Class

April 2025



Portfolio Managers



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April was a game of two halves for equity markets, with significant weakness brought on by Liberation Day on April 2nd with the market continuing to sell-off 9% in the first week of the month. The broader market then rebounded strongly (+13%) after Trump announced a 90-day tariff pause for reciprocal tariffs except for China on April 7th.

Over the month the Fund performed well through these market conditions, delivering significantly lower downside as the market sold off 9%. Critically, performing as expected during the sell-off, delivering strong downside protection. At the market lows (7th April) the ASX200 was down 13.2% from the February market peak, while the Fund was down 7.6% over this time period. We were also pleased to deliver 2.1% for the month, outperforming our Reserve Bank of Australia benchmark (0.7%) by 1.4%.

Stand-out performers for the Fund during the month continued to be core positions in gold miners Evolution Mining (+10.1%) and Newmont (+6.4%), both delivering solid quarterly results, as well as benefiting from the higher gold price.

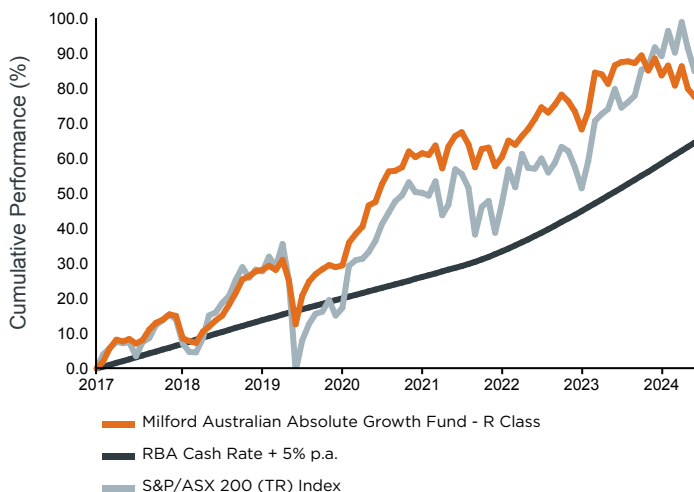
Somewhat related, testing business ALS Limited (+11.6%) also performed well on the back of an update which flagged increased testing volumes emerging for the mining sector, as increasing gold prices and prior solid capital raising activity in the junior gold mining space, supported drilling activity.

We were able to modestly add to core technology exposure Life360 (+10.8%) in the month, which then rallied after its March and early April sell-off. Generally, weakness in April at a market level was centred around companies leveraged to global growth or those with a discretionary exposure particularly in the US.

We remain constructive on the Australian economy given stimulatory fiscal policy, as well as our expectations for a modest interest rate cutting cycle. Both of these continue to look likely post recent inflation readings and a re-elected Labour government that will likely continue with supportive fiscal policy. Offsetting this positive Australian backdrop is one where we are expecting further uncertainty in global geopolitics and markets.

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Cumulative Performance (after fees and expenses) 30 April 2025



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

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.
	A diversified portfolio of predominantly Australian equities, complemented by selective exposure to international equities and cash. May use derivatives and foreign currency hedging.
Description	
Benchmark	RBA Cash Rate + 5% p.a.
APIR	ETL1090AU
Redemption Price as at 30 Apr	\$0.9161
Fund Size*	\$452.1 Million
Inception Date	October 2017
Minimum Investment	\$1,000
Recommended Investment Timeframe	7 years +
Buy-sell Spread	+/-0.20%
Entry/Exit Fee	Nil
Management Fee	1.05%
Performance Fee	15.35% p.a. of returns above the benchmark subject to achieving the high watermark.
Fund Pricing	Daily
Distribution Frequency	Biannual

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

Milford Australian Absolute Growth Fund as at 30 April 2025

Investment Performance to 30 April 2025

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Australian Absolute Growth Fund - R Class ¹	2.11%	-2.68%	-3.32%	2.67%	8.45%	8.16%
RBA Cash Rate + 5% p.a.	0.72%	2.16%	9.29%	8.61%	7.21%	6.88%
Excess Return	1.39%	-4.84%	-12.61%	-5.94%	1.24%	1.28%
S&P/ASX 200 (TR) Index	3.62%	-3.69%	9.79%	7.18%	12.15%	8.95%
Excess Return	-1.51%	1.01%	-13.11%	-4.51%	-3.70%	-0.79%

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

Top Security Holdings

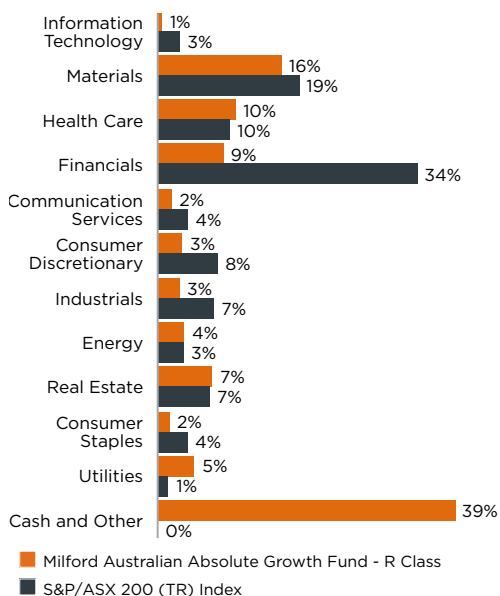
Holdings	% of Fund
CSL	5.19%
BHP	3.39%
Rio Tinto	2.53%
NAB	2.22%
Resmed	2.16%
Origin Energy	1.94%
Region RE	1.86%
Santos	1.85%
APA	1.77%
Insignia Financial	1.71%

Current Asset Allocation

	Actual	Typical Range	Maximum Range
Australasian Equities	65.77%	75-85%	30-100%
Derivatives	-7.90%	NA	NA [^]
International Equities	0.70%	0-10%	0-20%
Cash and Other	30.42%	0-20%	0-50%

[^] Refer to PDS for limits on derivative exposure.

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 30 April 2025

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Tariffs implemented by the US should have an inflationary impact, which we expect to come through in the short-term as the cost of tariffs are passed through to consumers and supply chains adjust to more expensive alternatives.

We also expect that the current heightened uncertainty for businesses and consumers will result in lower consumption and slower decisions weighing on growth in the US. This will likely flow into other markets like China where there is sensitivity to exports to the US. This combination poses a challenge for the Federal Reserve, and likely leads them to maintain caution before cutting short-term interest rates.

The significant rally we have just seen in equity markets appears to have priced out most of the short-term impacts of this trade war, with the ASX200 just 3.6% off all-time highs. To us, caution remains the order of the day given we feel the market has become overly complacent of the real world impacts this trade war will have on consumers, as well as businesses and has the potential to trigger another sell-off. The level of tariffs on China will be reduced, and deals will be made by the US with many other nations.

Where we differ from current market consensus is that we believe the ultimate level tariffs settle at will still be very disruptive to global trade and capital flows while current market pricing of many assets after the recent rally implies very little tariffs related disruptions. We have continued to trim our more volatile positions in the Fund, rotating to some more insulated domestic defensives, as well as looking to raise cash to help cushion the impact if a near term risk event was to appear.

1. The performance stated combines the performance of the Australian Absolute Growth Fund - W Class from 2 October 2017 to 30 June 2021, and the performance of the Milford Australian Absolute Growth Fund - R Class thereafter.

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Milford Australian Absolute Growth Fund - R Class's Target Market Determination is available at <https://milfordasset.com.au/documents-and-forms>. The Target Market Determination is a document describing who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.