

Milford Australian Absolute Growth Fund - R Class

June 2025



Portfolio Managers



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Portfolio Manager



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Global share markets continued their climb into highs and Australia was no different, finishing 1.4% higher in June. The Fund performed well, up 2.0%, outperforming its benchmark (by 1.3%) and the broader Australian equity market.

Energy was the top performing sector as the Iran / Israel conflict drove oil prices higher. Fear over finished product supply helped refining margins and overall buoyed both our oil and refining exposures. Energy company Santos (+16.2%), a core energy holding for the strategy, was a top contributor during the month after it was bid for by a consortium consisting of UAE oil company ADNOC and US investment firm Carlyle to take the business private. We welcome the bid, which highlights the embedded value we see in Santos's portfolio.

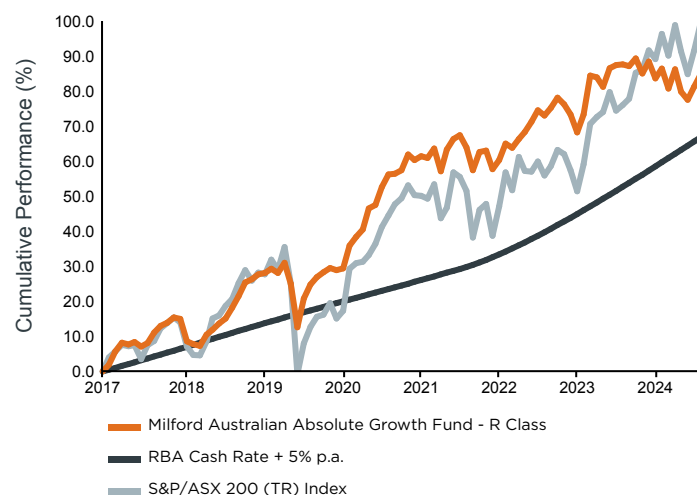
Other notable contributors included refiner and convenience retailer Viva Energy (+15.5%). Gold miners were a relatively weaker sector and exposure during the month, giving up some of the strong rally which had triggered us to take profits over the year. Other notable Fund activity included initiating a position in domestic airline Virgin Airlines and gold miner Greatland Gold. Both IPOs have traded well since listing.

Looking ahead, tariff implementation and policy uncertainty may result in a weaker period of global economic growth. The good news is that this period is likely to be short lived, as fiscal spending from governments in the US and Europe picks up in 2026. It should support a rebound in growth from then on as well as the potential for additional monetary policy support.

All up, whilst geopolitical uncertainty and downside risk remain, the backdrop for investment returns remains reasonable. This is reflected in Fund positioning with some put option protection remaining in place to cushion any downside volatility. We believe our equity position is relatively well invested to companies with good risk/reward, which should help the Fund participate well if the market continues to finish higher.

Cumulative Performance (after fees and expenses)

30 June 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. |
| 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 | ETL1090AU |
| Redemption Price as at 30 Jun | \$0.9527 |
| Fund Size* | \$459.9 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 June 2025

Investment Performance to 30 June 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 | 1.98% | 6.19% | 0.71% | 6.18% | 8.22% | 8.53% |
| RBA Cash Rate + 5% p.a. | 0.70% | 2.17% | 9.22% | 8.80% | 7.33% | 6.93% |
| Excess Return | 1.28% | 4.02% | -8.51% | -2.62% | 0.89% | 1.60% |
| S&P/ASX 200 (TR) Index | 1.41% | 9.50% | 13.81% | 13.56% | 11.85% | 9.53% |
| Excess Return | 0.57% | -3.31% | -13.10% | -7.38% | -3.63% | -1.00% |

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

Top Security Holdings

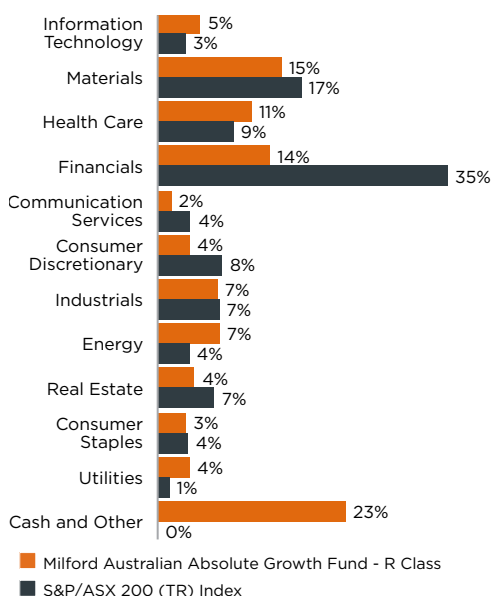
| Holdings | % of Fund |
|----------------------------|-----------|
| CSL | 5.75% |
| Santos | 3.07% |
| Resmed | 2.42% |
| Xero | 2.40% |
| BHP | 2.38% |
| ALS | 2.28% |
| Cleanaway Waste Management | 2.27% |
| NAB | 2.21% |
| Rio Tinto | 2.02% |
| Woolworths | 1.91% |

Current Asset Allocation

| | Actual | Typical Range | Maximum Range |
|------------------------|--------|---------------|-----------------|
| Australasian Equities | 73.39% | 75-85% | 30-100% |
| Derivatives | -2.00% | NA | NA [^] |
| International Equities | 5.77% | 0-10% | 0-20% |
| Cash and Other | 20.57% | 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 June 2025

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.