

Milford Australian Absolute Growth Fund - R Class

September 2025



Portfolio Managers



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Portfolio Manager



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Portfolio Manager



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Offshore equity markets pushed ahead in September, driven by AI technology stocks following announcements of new AI investment. The ASX200 trailed, falling 0.8% after a strong August. The Fund increased 0.2%, driven by the performance of our technology and gold investments relative to the ASX200 index.

Our offshore AI-related investments performed on the AI investment announcements. Software company Oracle rallied over 24.4% and we decided to exit that investment. We added to TSMC which rallied over the month on the improving demand outlook for computing.

The gold price continued to break higher, exceeding US \$3,800 an ounce which drove our gold miner investments sharply higher. We steadily trimmed our gold miner investments, but remain positive on gold over the medium-term. We will monitor and add back to these miners on weakness.

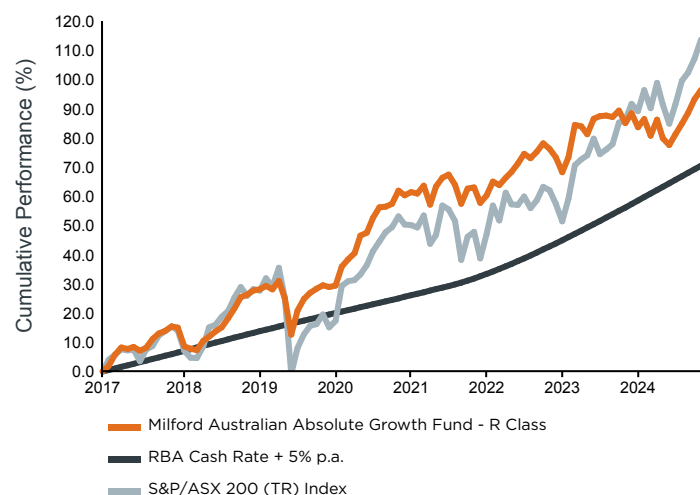
In Australia there are many signs the economy is accelerating from stronger GDP, improving house prices and very strong household expenditure. While overall positive for Australian equities, the negative side of a stronger economy is that it makes further Reserve Bank of Australia interest rate cuts more difficult. There is a reasonable chance there are no further cuts.

Considering this economic and interest rates view, we reduced Real Estate Investment Trust (REIT) holdings over the month and increased positions in all four major banks. This included a 1% position in Commonwealth Bank (CBA) further supplemented with CBA call options. All the major banks are likely to see positive earnings revisions from net interest margins if interest rates are cut only once or not at all. Combined with a robust credit growth and bad debt outlook this is a supportive environment for Australian banks.

The likely scenario is equities can continue to perform well into year-end, albeit with a small wobble or two. The key major risks to equities are a bursting of the AI boom (not apparent just yet) and a Federal Reserve that may be unable to cut interest rates as expected, or turn around and raise interest rates (more a risk for next year).

Cumulative Performance (after fees and expenses)

30 September 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 Sep	\$0.9933
Fund Size*	\$405.8 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 September 2025

Investment Performance to 30 September 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	0.17%	4.35%	4.38%	7.64%	8.82%	8.83%
RBA Cash Rate + 5% p.a.	0.68%	2.13%	9.07%	8.97%	7.51%	6.98%
Excess Return	-0.51%	2.22%	-4.69%	-1.33%	1.31%	1.85%
S&P/ASX 200 (TR) Index	-0.78%	4.71%	10.56%	15.16%	12.98%	9.84%
Excess Return	0.95%	-0.36%	-6.18%	-7.52%	-4.16%	-1.01%

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

Top Security Holdings

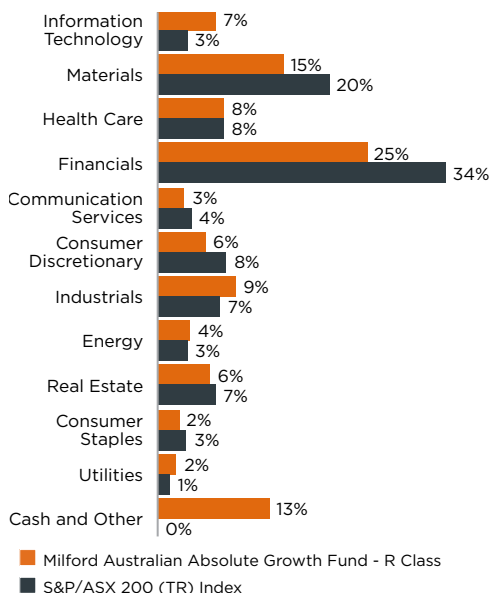
Holdings	% of Fund
BHP	4.15%
Westpac	3.32%
CSL	3.25%
NAB	3.04%
Newmont	2.68%
Cleanaway Waste Management	2.56%
ANZ Group Holdings	2.45%
ALS	2.27%
Goodman	2.24%
Xero	2.14%

Current Asset Allocation

	Actual	Typical Range	Maximum Range
Australasian Equities	71.23%	75-85%	30-100%
Derivatives	8.74%	NA	NA [^]
International Equities	7.41%	0-10%	0-20%
Cash and Other	21.15%	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 September 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.