

# Milford Australian Absolute Growth Fund - R Class

February 2026



## Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Wayne Gentle**  
Portfolio Manager



**Jason Kururangi**  
Co-Portfolio Manager

February was a strong month for the Australian market, gaining 4.1%. This was driven by large moves by mining company BHP Group (+15.5%) and Commonwealth Bank of Australia (+19.1%). Given each has a near 10% ASX200 index weight, these moves were the largest contributors to the ASX200 return this month. While the monthly Fund performance of 2.2% lagged the ASX200, we viewed the performance as reasonable given the concentrated rally in those large index weight stocks.

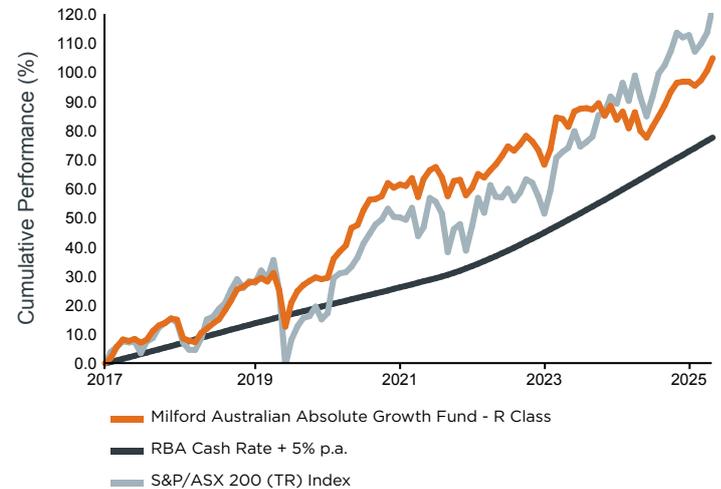
Resources performed well as investors increasingly viewed commodities as strategic and essential for AI hardware buildout. In addition, BHP positively updated the market with a silver stream at copper mine Antamina, releasing capital. Meanwhile CBA had a strong result driving earnings upgrades. The Fund had some of its largest positioning in banks, BHP and mining giant Rio Tinto in recent years, supplemented by call options in BHP and CBA. We took the opportunity to sell our CBA call options at a good profit and reduce our overall bank investments.

Outside of banks and resources, most of the market was weak over February with former healthcare market darling CSL (-19.1%) falling as results disappointed. Fortunately, we had already reduced our position. Technology stocks were also weak on the back of AI disruption risks. Given this sell-off, there are certain software companies looking oversold and mispriced that we will talk to in coming months.

The year started out eventfully, with a significant rally in precious metals, base metals, a sell-off in Software as a Service, a weaker US dollar, as well as expectations for lower-term interest rates in the US. As of the end of February, an attack on Iran looked probable so we added to our energy exposures, refiners as well as defensive holdings in the portfolio which has worked well early in March. The Fund is near 70% invested in equities. This is a little lower than usual due to building risks from AI disruption, concerns around private credit, and geopolitical threats all creating a lot of uncertainty with very little of this uncertainty reflected into broad equity market valuations.

## Cumulative Performance (after fees and expenses)

28 February 2026



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>	ETL1090AU
<b>Redemption Price as at 28 Feb</b>	\$1.0252
<b>Fund Size*</b>	\$406.6 Million
<b>Inception Date</b>	October 2017
<b>Minimum Investment</b>	\$1,000
<b>Recommended Investment Timeframe</b>	7 years +
<b>Buy-sell Spread</b>	+/-0.20%
<b>Entry/Exit Fee</b>	Nil
<b>Management Fee</b>	1.05%
<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.

# Milford Australian Absolute Growth Fund as at 28 February 2026

## Investment Performance to 28 February 2026

	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 <sup>1</sup>	2.16%	4.88%	13.95%	6.76%	6.94%	8.90%
RBA Cash Rate + 5% p.a.	0.65%	2.07%	8.78%	9.06%	7.80%	7.06%
Excess Return	1.51%	2.81%	5.17%	-2.30%	-0.86%	1.84%
S&P/ASX 200 (TR) Index	4.11%	7.34%	16.19%	12.22%	10.79%	9.96%
Excess Return	-1.95%	-2.46%	-2.24%	-5.46%	-3.85%	-1.06%

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

## Top Security Holdings

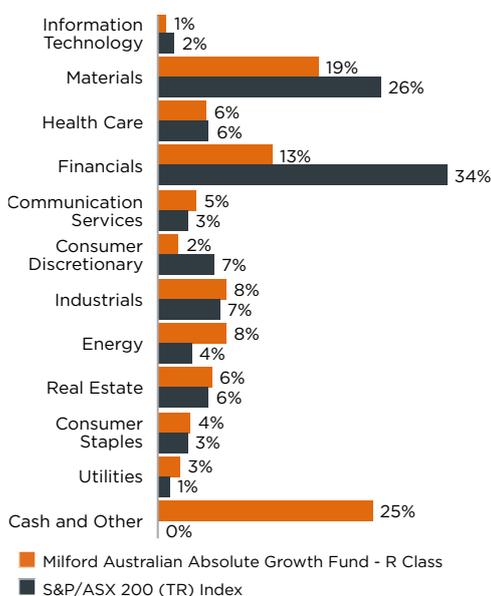
Holdings	% of Fund
BHP Group	4.17%
NAB	3.49%
ANZ Group	3.17%
Westpac	3.06%
CBA	2.92%
Newmont	2.61%
Woolworths	2.58%
ALS	2.54%
Telstra	2.51%
Transurban Group	2.01%

## Current Asset Allocation

	Actual	Typical Range	Maximum Range
Australasian Equities	67.03%	75-85%	30-100%
Derivatives	2.14%	NA	NA <sup>^</sup>
International Equities	5.60%	0-10%	0-20%
Cash and Other	26.53%	0-20%	0-50%

<sup>^</sup> 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 28 February 2026

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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.