

Milford Australian Absolute Growth Fund - W Class

May 2026



Portfolio Managers



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May was a strong month for global equity markets, with the S&P500 up 5.3% and continuing to lead the way. This was pulled higher by sentiment around AI and AI capital expenditure, factors with less available exposure in the Australian market. The ASX200 lagged the broader recovery in markets up a more modest 1.2%, while the Fund returned -0.2%.

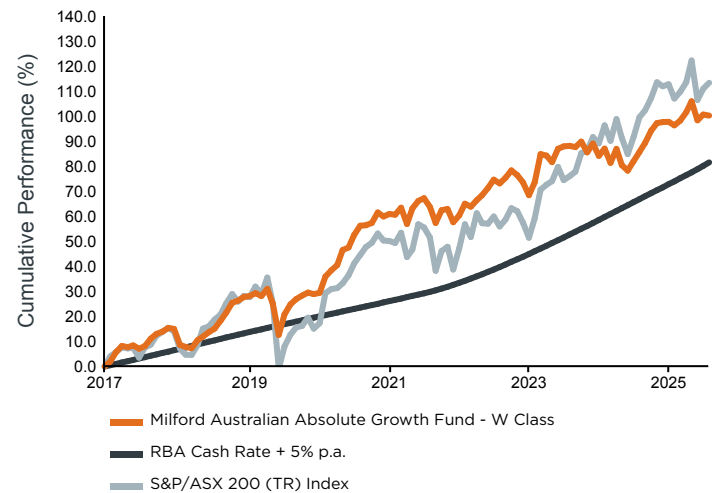
Resources continued to be the bright spark on the local market, as a proxy for AI CapEx. Key outperformers within the Fund include mining company Capstone Copper, up 30.0% on the back of strong demand and copper supply disruptions benefitting the copper price.

The Australian budget announced during the month is likely to have important effects on the economy and local businesses over the next few years. The removal of Capital Gains Tax (CGT) discounts and negative gearing on investment properties are likely to put further downward pressure on house prices, which were already softening following RBA rate hikes. This reduces the growth outlook for Australian banks and is likely to lead to softer consumer spending. If proposed CGT changes go ahead, Australia may need rate cuts next year to help support the housing market and the wider domestic economy outside the mining sector.

The Fund remains defensively positioned as we continue to monitor the significant disruption to physical oil supply. Even if a deal is made with Iran to reopen the Strait of Hormuz tomorrow, it is already too late to prevent more substantial shortages of oil products in July and August. This is because the current trajectory of oil and product storage levels leave storage buffers largely depleted around the world, and it would take more than 60 days to restart shut-in oil production in the Middle East. For this reason, we have maintained our positions in energy companies. If the coming month see cyclical companies selling off, this could create opportunities, particularly in selected mining companies.

Cumulative Performance (after fees and expenses)

31 May 2026



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	ETL8155AU
Redemption Price as at 31 May	\$1.2739
Fund Size*	\$382.4 Million
Inception Date	October 2017
Minimum Investment	\$50,000
Recommended Investment Timeframe	7 years +
Buy-sell Spread	+/-0.20%
Entry/Exit Fee	Nil
Management Fee	0.90%
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.

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



Look for Ticker Code: MFOA

Milford Australian Absolute Growth Fund as at 31 May 2026

Investment Performance to 31 May 2026

	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	-0.20%	-2.79%	7.88%	4.96%	5.09%	8.34%
RBA Cash Rate + 5% p.a.	0.76%	2.22%	8.79%	9.10%	8.01%	7.12%
Excess Return	-0.96%	-5.01%	-0.91%	-4.14%	-2.92%	1.22%
S&P/ASX 200 (TR) Index	1.15%	-4.03%	6.89%	11.02%	8.10%	9.14%
Excess Return	-1.35%	1.24%	0.99%	-6.06%	-3.01%	-0.80%

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

Top Security Holdings

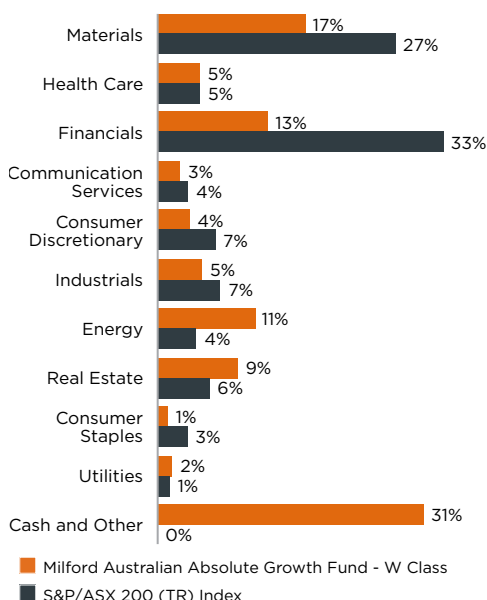
Holdings	% of Fund
BHP Group	5.85%
CBA	5.24%
Woodside Energy	3.74%
Goodman Group	3.05%
Rio Tinto	2.79%
Westpac	2.55%
Sigma Healthcare	2.40%
SLB	2.14%
ANZ Group	1.95%
Amazon	1.82%

Current Asset Allocation

	Actual	Typical Range	Maximum Range
Australasian Equities	66.89%	75-85%	30-100%
Derivatives	-2.34%	NA	NA [^]
International Equities	6.55%	0-10%	0-20%
Cash and Other	26.68%	0-20%	0-50%

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

Sector Allocation



Ratings



Awards



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 31 May 2026

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

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