

# Milford Australian Absolute Growth Fund - W Class

## March 2022

### Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Wayne Gentle**  
Portfolio Manager

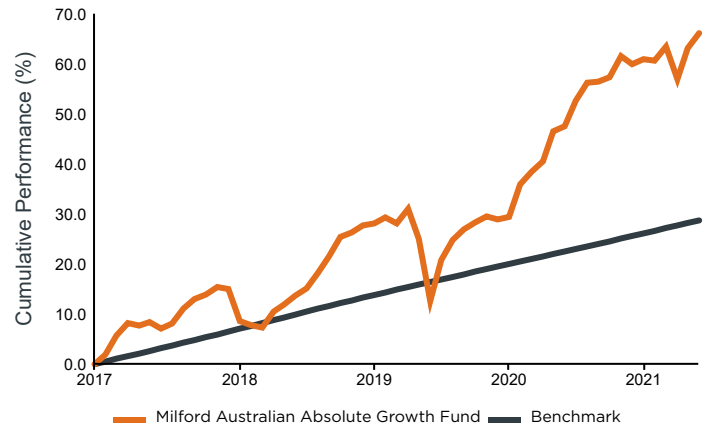
The Australian Absolute Growth Fund returned 1.8% in March to bring the 1-year return to a pleasing 12.6%. Global equity markets had a very strong recovery in the last couple of weeks of March. Defensive positioning by fund managers led to a strong rally following the Fed meeting as investors dialled risk levels back up. Australian equities were also aided by strong commodity prices, this drove offshore investors to buy the ASX given its safe haven status in this environment.

Our best performer was IGO which rose 29.4% on the back of strong nickel and lithium prices. Nickel supply out of Russia is expected to be heavily disrupted and the war has increased the need to accelerate the energy transition to renewables which supports both lithium and nickel demand. Our other top performers include Origin Energy (+11.8%), BHP (+10.9%), NAB (+11.8%) as both resources and Australian financials performed well over the month. Outside of resources our top performer was supermarket Metcash (+10.2%) which is well placed and well-priced for accelerating inflation in Australia.

Our worst performer was Virgin Money (-9.4%) as UK and global banks did not perform as well as their domestic counterparts due to increasing concerns about global growth. We had trimmed our position recently at high prices but retain a core position given Virgin's attractive valuation and earnings exposure to higher interest rates.

The Fund has performed true to label in this volatile start to the year. We have an overall cautious view on global and Australian equities as combined headwinds of inflation and higher interest rates lead to lower profit margins, weaker growth, and valuation headwinds for companies. Australia should feel these pressures later than most other countries but ultimately is still exposed. As such we have reduced our equity exposure into this recent rally but maintained significant exposures to attractive areas such as resources, supermarkets and select stock picks.

### Investment Performance to March 2022\*



\* Cumulative performance since inception, after all fees and expenses, and assumes reinvestment of distributions.

### 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.

<b>Benchmark</b>	RBA Cash Rate + 5% p.a.
<b>APIR</b>	ETL8155AU
<b>Redemption Price as at 31 Mar</b>	\$1.3148
<b>NAV as at 31 Mar</b>	\$162 Million
<b>Inception Date</b>	October 2017
<b>Minimum Investment</b>	\$5,000,000
<b>Recommended Investment Timeframe</b>	5 years +
<b>Buy-sell Spread</b>	+/-0.20%
<b>Entry/Exit Fee</b>	Nil
<b>Management Fee</b>	0.90%
<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

## Investment Performance to March 2022\*

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)**
Milford Australian Absolute Growth Fund	1.84%	3.88%	12.61%	13.47%	-	11.95%
Benchmark	0.42%	2.51%	5.10%	5.41%	-	5.78%
Over/Underperformance	1.42%	1.37%	7.51%	8.06%	-	6.17%
S&P/ASX 200 (TR) Index	6.89%	4.38%	14.97%	10.59%	-	10.53%
Over/Underperformance	-5.05%	-0.50%	-2.36%	2.88%	-	1.42%

Past performance is not a reliable indicator of future performance.

\* Net performance figures are shown after all fees and expenses, and assumes reinvestment of distributions.

\*\* Inception date of the Fund is 02 October 2017.

## Top Security Holdings

Holdings	% of Fund
CSL	4.26%
Metcash	3.96%
Santos	3.95%
Telstra	3.57%
Evolution Mining	3.55%
Contact Energy	3.51%
Newcrest Mining	3.32%
Woolworths	3.09%
Origin Energy	2.35%
Rio Tinto	2.24%

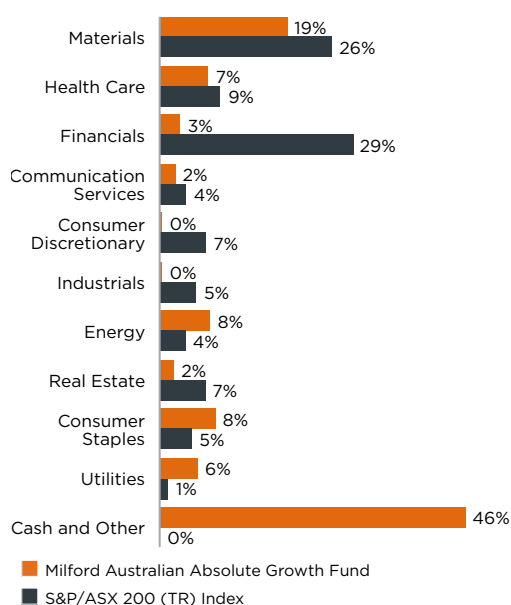
## Current Asset Allocation

	Actual	Typical Range	Maximum Range
Australian Equities*	54.42%	75-85%	0-100%
International Equities	0%	0-10%	0-30%
Cash and Other #	45.58%	0-10%	0-100%

\* Includes New Zealand Equities

# Effective Cash reported above is adjusted to reflect the Fund's notional positions.

## 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.



### Platform Availability

BT Panorama, HUB24, IOOF, Macquarie Wrap, Mason Stevens, mFund, Netwealth, PowerWrap, Praemium

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