

# Milford Australian Absolute Growth Fund - W Class

## April 2022

### Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Wayne Gentle**  
Portfolio Manager

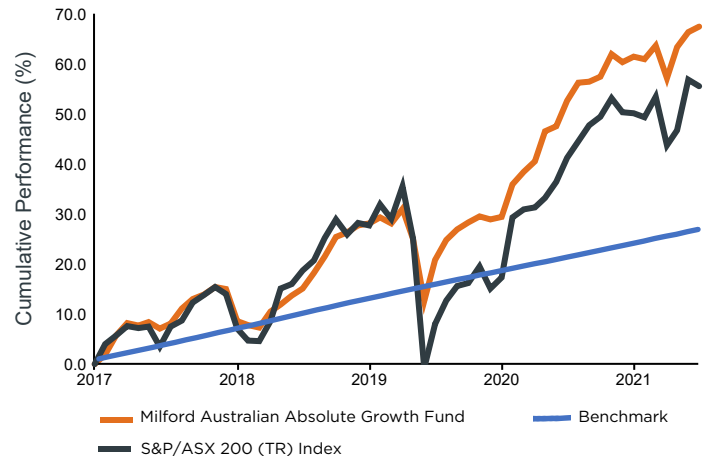
April saw early strength in Australian equity markets before commodity volatility led to a sharp sell-off later in the month. The Australian Absolute Growth Fund ended up with a return of 0.7% compared to the ASX 200 return of -0.9%.

Our top performers were supermarkets with Metcash, Coles and Woolworths up 5.5%, 4.4% and 3.4% respectively. Not only did they benefit from investors seeking safe haven companies to own during this uncertainty, but the market is beginning to see inflation appear on supermarket shelves which we expect to be positive for their earnings.

Energy companies and miners were strong for most of the month which we used as a good opportunity to take profits on positions such as Santos, IGO and Oz Minerals. China continues to navigate a difficult environment where Covid lockdowns are pressuring economic growth and policy makers have been reluctant to stimulate the economy sufficiently given debt and currency concerns. Later in the month the building economic pressures appeared to find an outlet in the currency as we saw a rapid depreciation in the Chinese RMB and a rally in the USD. It is typical to see commodities and miners sell-off aggressively when we see these types of currency moves and that is what happened. Following this we are seeing some more convincing intent from the Chinese government to stimulate the economy, so we are buying select resources companies into this weakness. The situation in China will remain fluid and we will remain active in our management of resources positions.

Australia remains better placed as an economy and share market than most of the developed world, although large investors' allocations towards Australia in recent months creates downside tail risk if the outlook for Australia deteriorates. We are positioning in companies with earnings strength (commodities and supermarkets) or defensive characteristics (eg. CSL) while using market sell-offs to add preferred investments and rallies to take profits and manage risk. As monetary policy tightening runs its course and extremely high allocations to equities by investors normalise, we will be able to take a more bullish stance within the Fund.

### Investment Performance to April 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 30 Apr</b>	\$1.3237
<b>NAV as at 30 Apr</b>	\$167.3 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 April 2022\*

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)**
Milford Australian Absolute Growth Fund	0.68%	3.93%	9.62%	13.26%	-	11.89%
Benchmark	0.41%	2.50%	5.10%	5.38%	-	5.77%
Over/Underperformance	0.27%	1.43%	4.52%	7.88%	-	6.12%
S&P/ASX 200 (TR) Index	-0.85%	3.59%	10.16%	9.41%	-	10.13%
Over/Underperformance	1.53%	0.33%	-0.54%	3.85%	-	1.76%

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	6.60%
Metcash	4.31%
Evolution Mining	3.87%
Woolworths	3.56%
Telstra	3.51%
Contact Energy	3.36%
Coles	2.75%
Santos	2.57%
Virgin Money	2.36%
Newcrest Mining	2.19%

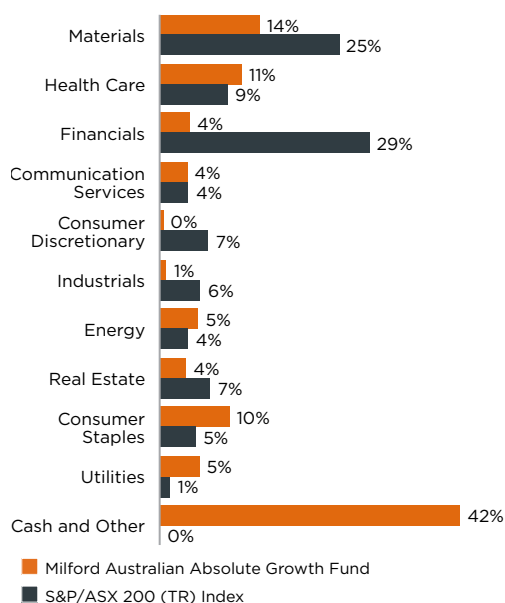
## Current Asset Allocation

	Actual	Typical Range	Maximum Range
Australian Equities*	57.50%	75-85%	0-100%
International Equities	0.93%	0-10%	0-30%
Cash and Other #	41.57%	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

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

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