

Milford Australian Absolute Growth Fund - R Class

May 2025



Portfolio Managers



William Curtayne
Portfolio Manager



Wayne Gentle
Portfolio Manager



Jason Kururangi
Co-Portfolio Manager

After a volatile April, global share markets continued their climb into May leaving global shares close to all-time highs. The same was true in Australia. Despite modestly underperforming global markets, the ASX200 still rose 4.2%. The Fund performed well, up 2.0%, outperforming its benchmark by 1.3%, but lagging the broader equity market.

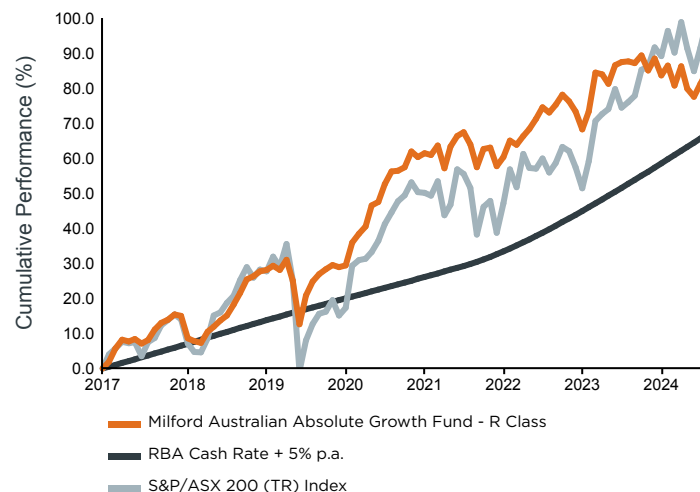
The standout sector over the month was technology, supported by solid earnings updates and a return of the AI trade, as well as RBA rate cuts. At a stock level, key technology winners for the Fund included software company Life360 (+51.9%) after delivering a strong earnings update beating consensus expectations. Software company Xero was also a solid contributor (+12.2%), on the back of results highlighting progress on further integrating its product partnerships and potential to accelerate its US roll out. Other winners included gold miners, with core holding Genesis Minerals (+22.3%), performing well on the back of strong gold prices as well as announcing the acquisition of the Laverton Gold Project from Focus Minerals, adding additional growth and resource to their pipeline.

Detractors over the month included Insignia Financial, as two bidders withdrew from competition for the asset, which saw weakness in the share price.

At a market level, we are cognisant of the sharp equity market rally that has driven stocks back up to near all-time highs, and full valuations. We are also monitoring bond markets, which remain volatile as investors try and understand the trajectory of global growth and government spending, and their need to fund this spending. While bond market volatility is a key risk, elevated government spending globally does reduce the likelihood of economic weakness. This creates a reasonable outlook for investments going forward, especially once we move past the policy uncertainty. This is reflected in our Fund positioning.

Cumulative Performance (after fees and expenses)

31 May 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 31 May | \$0.9342 |
| Fund Size* | \$454 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 31 May 2025

Investment Performance to 31 May 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 | 1.98% | 2.81% | -1.49% | 4.08% | 8.17% | 8.34% |
| RBA Cash Rate + 5% p.a. | 0.73% | 2.21% | 9.27% | 8.72% | 7.27% | 6.91% |
| Excess Return | 1.25% | 0.60% | -10.76% | -4.64% | 0.90% | 1.43% |
| S&P/ASX 200 (TR) Index | 4.20% | 4.31% | 13.36% | 9.62% | 12.11% | 9.43% |
| Excess Return | -2.22% | -1.50% | -14.85% | -5.54% | -3.94% | -1.09% |

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

Top Security Holdings

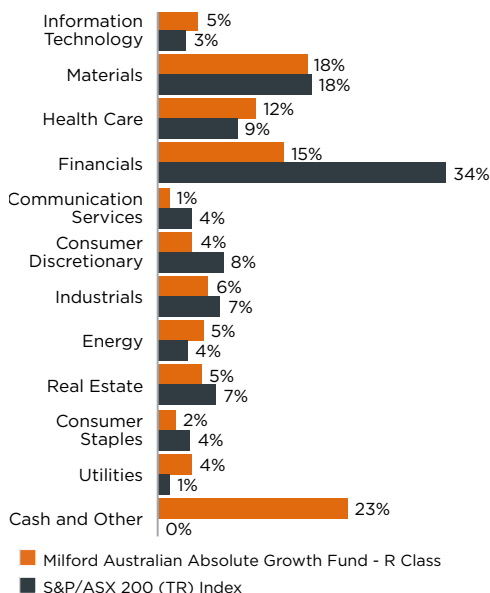
| Holdings | % of Fund |
|----------------------------|-----------|
| CSL | 4.18% |
| Rio Tinto | 3.77% |
| Santos | 3.19% |
| BHP | 2.76% |
| Xero | 2.54% |
| Cleanaway Waste Management | 2.45% |
| NAB | 2.40% |
| Resmed | 2.36% |
| ALS | 2.16% |
| Woolworths | 1.98% |

Current Asset Allocation

| | Actual | Typical Range | Maximum Range |
|------------------------|--------|---------------|-----------------|
| Australasian Equities | 75.32% | 75-85% | 30-100% |
| Derivatives | -4.63% | NA | NA [^] |
| International Equities | 5.01% | 0-10% | 0-20% |
| Cash and Other | 17.54% | 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 31 May 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.