

Australian Absolute Growth Fund Introduction

Fund Overview

The Milford Australian Absolute Growth Fund aims to build on Milford's absolute return investing capability, modelled closely on the company's flagship Active Growth Fund.

The Fund is primarily invested in Australian equities, whereas the Active Growth Fund has a clear New Zealand equities bias and more global exposure. However, the absolute return focus of this Fund is consistent with the Active Growth Fund.

The Australian Absolute Growth Fund is managed by our experienced Sydney-based investment team, and leverages the skills of more than 20 investment professionals in both Sydney and Auckland.

Investment Objective

The Fund targets absolute returns with an annualised return objective of 5% above the New Zealand Official Cash Rate (NZ OCR) while seeking to protect investor capital over rolling three year periods.

Investment Strategy

The Fund aims to generate investment returns by investing in a diversified portfolio of predominantly Australian equities, complemented by selective exposure to international equities, fixed interest securities and cash.

The Fund also aims to protect capital and minimise volatility in times of higher uncertainty or less conviction by allowing the Fund to hold a more diversified asset mix than typical Australian equities funds, including investing up to 100% in cash when required.

Who the Fund predominately suits

Investors looking for:

- an active approach to investing, with a focus on capital protection
- absolute return focus over a rolling three year period
- tax efficient access for NZ investors predominantly looking for Australian equities exposure
- a more diversified portfolio compared with other Australian equity investments
- an investment with a time horizon of at least five years.

Key Fund Facts

Benchmark	NZ OCR + 5% p.a.
Inception date	1 March 2018
Minimum investment	\$10,000 / \$100,000 for Trusts and Entities
Recommended investment timeframe	5+ years
Base fund fee	1.05%
Performance fee	15% p.a. of returns above the benchmark subject to achieving the high water mark
Entry/exit fee	Nil
Foreign currency exposure	0% (+/- 30%)
Distribution frequency	None
Fund pricing	Daily

Target Investment Mix & Ranges

Asset class	Target	Min	Max
Cash & Cash Equivalents	7.5%	0%	100%
New Zealand Fixed Interest	4%	0%	20%
International Fixed Interest	6%	0%	20%
Australasian Equities	80%	0%	100%
International Equities	2.5%	0%	30%



Portfolio Manager Details

William Curtayne – Portfolio Manager

William joined Milford in 2010 and has been working from Milford's Sydney office since its establishment in 2014. William is Portfolio Manager of the Australian Absolute Growth Funds and has managed the Milford Dynamic Fund for the past six years. William was also Co-Portfolio Manager of the flagship Milford Active Growth Fund for the past three years. Prior to joining Milford, William competed as a professional triathlete representing New Zealand on the ITU world triathlon circuit. Following the Milford process, William visits and speaks to hundreds of companies every year and conducts detailed financial analysis to uncover high quality investment ideas. William has a Bachelor of Commerce from the University of Auckland majoring in Finance and Economics, and is a CFA Charterholder.



Wayne Gentle – Portfolio Manager

Wayne is the Chief Investment Officer at Milford and the Head of Australian Investments. He is the Portfolio Manager of the Australian Equities Wholesale Fund and Co-Manager of the Trans-Tasman Equity and Australian Absolute Growth Funds. He has over 20 years' experience in managing a diverse range of Australian equities portfolios. Prior to joining Milford, Wayne was Deputy Head of Australian Equities at Colonial First State Global Asset Management. Previously, Wayne held Senior Analyst and Deputy Head of Research roles with Allianz Global Investors, and spent 10 years with JP Morgan. Wayne holds a Bachelor of Economics degree from Sydney University, a Postgraduate Diploma in Applied Finance and Investment from the Securities Institute of Australia.



Milford's Investment Philosophy

As investment markets are in a state of constant change, Milford adopts an active approach to investing. This allows Milford to take advantage of investment opportunities as they arise, and seek to provide a level of capital protection when markets are less favourable.

The key principles that underpin Milford's philosophy are:

1. An active portfolio management approach with a focus on absolute returns.
2. Fundamental bottom up investment research of the assets invested in and conducting of regular company visits.
3. Understanding the changes in the local and global economic environments and how these changes are likely to impact the markets in which clients' assets are invested.
4. Managing risk and protecting investors' capital through appropriate portfolio diversification and a broad investment universe.
5. Its role as partial 'owners' of the companies in which they invest on behalf of clients. As such, taking an active interest in the corporate governance of many of these entities.

Milford believe this approach to investing clients' funds will deliver strong returns over the medium term while avoiding large capital losses.

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