

# Milford Dynamic Fund (AU)

## March 2020



### Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Michael Higgins**  
Portfolio Manager

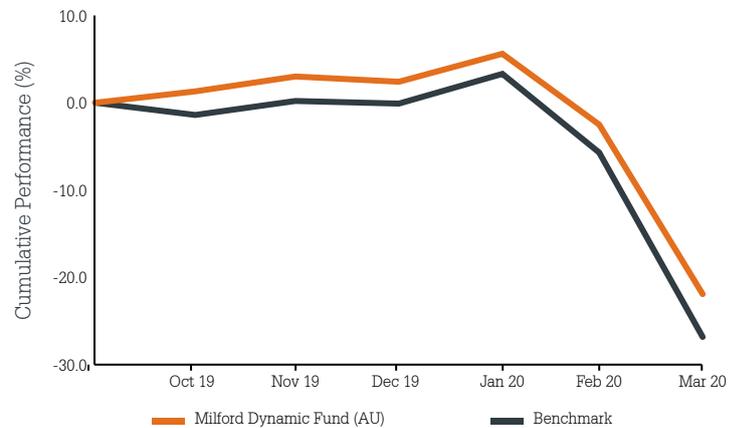
The Australian Small Ordinaries index sold-off sharply in March, down 22.2%. Our move to de-risk the Fund last month by moving to cash and favouring potential winners from the lockdown provided little resistance against the sell-off with the fund finishing down 19.9%.

Fisher & Paykel Healthcare rallied 17.8% as global demand for respiratory technology increased, key consumer staples provided some support with a2 Milk and Coles both finishing up 5.5% and 6.7% respectively. Another winner included MNF Group (+17.3%). MNF generates revenue from increased telecom usage and the collaboration licenses required to work from home effectively.

With more than 135 companies walking away from earnings guidance in March, we unsurprisingly had more losers than winners. Key underperformers included Credit Corp (-57.8%) which sold off on the risk of a material rise in unemployment which could impact the collectability of debts. While the Australian Government's announced Job Seeker and Job Keeper stimulus payments have positive implications, we reduced our position given elevated financial risks. AFG (-45.4%) sold-off on the COVID-19 impact to property markets.

We've entered April positioned cautiously with an elevated cash position of around 20%. We continue to rotate into quality companies with minimal debt, expecting that this will provide some resistance to weather further volatility.

### Investment Performance to March 2020\*



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

### Key Fund Facts

Objective	The fund targets outperformance of the S&P/ASX Small Ordinaries (TR) Index
Description	Primarily invests in small to mid-cap Australian equities
Benchmark	S&P/ASX Small Ordinaries (TR) Index
Redemption Price <small>as at 31 Mar</small>	\$0.7785
NAV <small>as at 31 Mar</small>	\$16.3 Million
Inception Date	October 2019
Minimum Investment	\$20,000
Recommended Investment Timeframe	5 years +
Buy-sell Spread	+/-0.30%
Entry/Exit Fee	Nil
Distribution Frequency	Annual (30 June)
Management Fee*	1.10%
Capped Expense Recovery*	0.10%
Performance Fee*	20% p.a. of returns above the benchmark subject to achieving the high watermark.
Fund Pricing	Daily

\* Fees are stated exclusive of GST.

## Investment Performance to March 2020

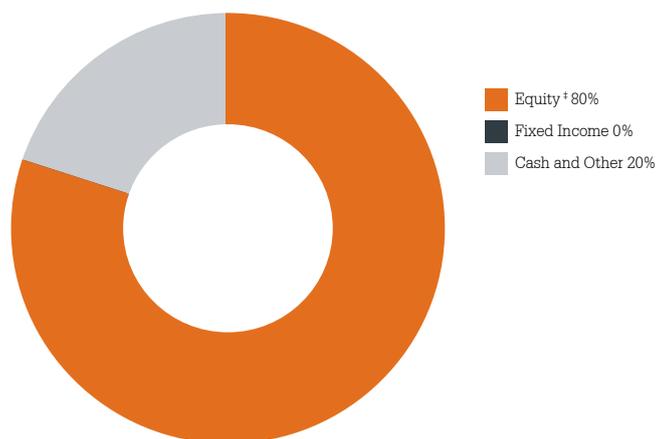
	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since Inception **
Milford Dynamic Fund (AU)	-19.92%	-21.92%	-	-	-	-21.92%
Benchmark	-22.38%	-26.17%	-	-	-	-26.17%

Past performance is not a reliable indicator of future performance.

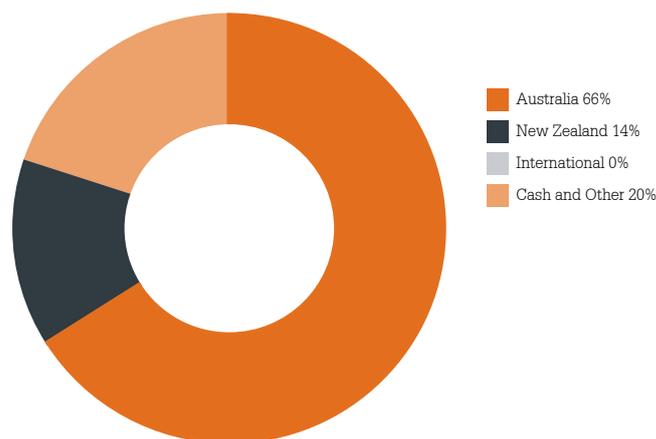
\* Net performance figures are shown after all fees and expenses, and assumes reinvestment of distributions.

\*\* Inception date of the Fund is 1 October 2019

## Current Asset Allocation<sup>1</sup>



## Current Country Allocation<sup>†1</sup>



## Top Security Holdings

Holdings	% of Fund's NAV
IPH	3.93%
Saracen Mineral Holdings	3.79%
Coles Group	3.67%
Evolution Mining	3.48%
a2 Milk Company	3.44%
Collins Foods	3.06%
Fisher & Paykel Healthcare	2.95%
EBOS Group	2.94%
Sealink Travel Group	2.82%
EQT Holdings	2.71%

## Fund Changes

There have been no material changes to the below information since the last monthly report:

- The Fund's risk profile
- The Fund's strategy

There have been no changes to the below information since the PDS was issued:

- Key service providers
- Individuals playing a key role in investment

<sup>1</sup> The actual investment mix incorporates the notional exposure value of equity derivatives and credit default swaps, where applicable.

<sup>†</sup> Equity will be the net amount, ie the total long less any shorts.

<sup>†1</sup> Typically the country in which the company issuing the share/bond primarily operates

Milford Australia Pty Ltd ABN 65 169 262 971  
 AFSL 461253 Suite 5, Level 33, MLC Centre  
 19-29 Martin Place, Sydney NSW 200  
 Phone 1300 133 451 milfordasset.com.au

