

Milford Dynamic Fund (AU)

April 2020



Portfolio Managers



William Curtayne
Portfolio Manager



Michael Higgins
Portfolio Manager

Global equity markets bounced back in April as COVID-19 optimism provided some relief following last month's sharp correction. The Fund returned 13.1% for the month, behind the S&P/ASX Small Ordinaries Index which rallied 14.3%. While our cautious positioning provided a degree of cash drag, we were very pleased to keep up with the index with a less risky portfolio.

Performance was led by gold miners Evolution and Saracen which rallied 33.8% and 18.3% respectively. KFC restaurant owner Collins Foods also performed well rallying 35.8%.

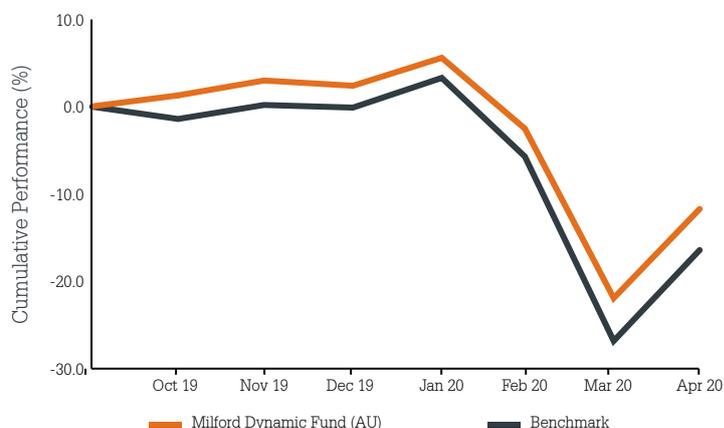
We think KFC restaurant earnings will have some resilience given i) drive-through, takeaway and delivery contribute a clear majority of sales, ii) many SME restaurants remain under pressure and in many cases are closed leading to likely market share gains and iii) people still crave a cheap luxury as we all slowly emerge from isolation.

Underperformers included Metcash (-20.9%) which surprised with a recapitalisation equity raise and Fisher & Paykel Healthcare lagged 12.3% following a stellar performance over February/March.

We have entered May with elevated cash in the Fund, believing better opportunities to deploy capital on the long side will present themselves in the coming months ahead.

As active stock pickers, we think volatile equity market environments will deliver increased opportunities to generate outperformance.

Investment Performance to April 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 30 Apr</small>	\$0.8801
NAV <small>as at 30 Apr</small>	\$18.4 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 April 2020*

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since Inception **
Milford Dynamic Fund (AU)	13.05%	-12.87%	-	-	-	-
Milford Dynamic Fund (Strategy)***	13.05%	-12.87%	0.94%	7.64%	7.00%	9.50%
Benchmark	14.27%	-15.20%	-13.31%	3.25%	4.95%	4.47%

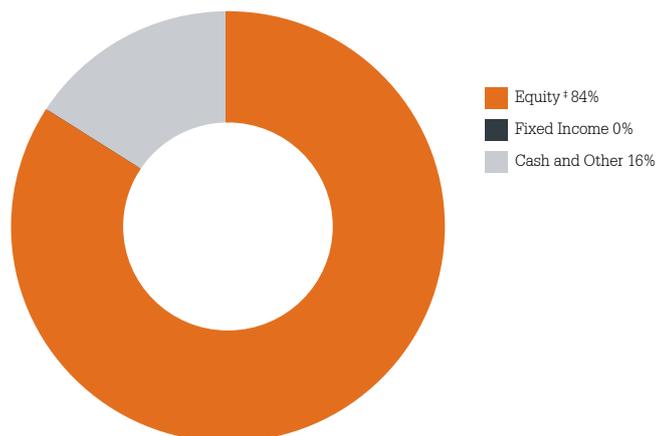
Past performance is not a reliable indicator of future performance.

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

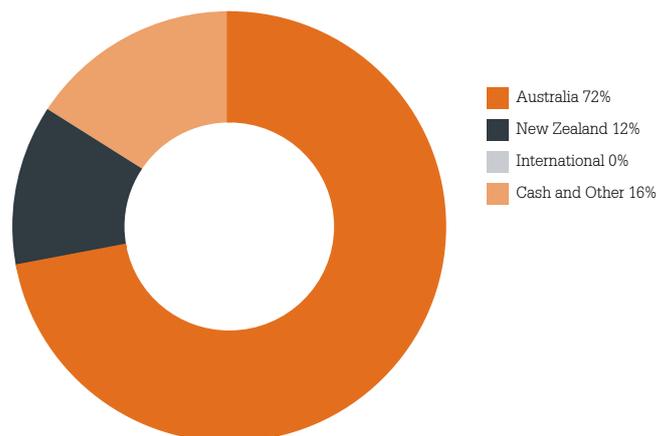
** Inception date of the Milford Dynamic Fund (Strategy) is 1 October 2013.

††† The Milford Dynamic Fund (Strategy) performance combines the performance of the Milford Dynamic Fund (NZ) from 1 October 2013 to 30 September 2019 and the performance of the Milford Dynamic Fund (AU) thereafter. The performance of the Milford Dynamic Fund (NZ) has been adjusted to reflect the difference in fee structure and neutral currency exposure from the Milford Dynamic Fund (AU).

Current Asset Allocation¹



Current Country Allocation¹



Top Security Holdings

Holdings	% of Fund's NAV
Saracen Mineral Holdings	4.95%
Evolution Mining	4.42%
Collins Foods	3.36%
Sealink Travel Group	3.25%
IPH	3.16%
EML Payments	2.97%
HUB24	2.93%
EQT Holdings	2.85%
Coles Group	2.57%
Bapcor	2.42%

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

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

² Equity will be the net amount, ie the total long less any shorts.

³ Typically the country in which the company issuing the share/bond primarily operates

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