

Milford Dynamic Fund (AU)

May 2020



Portfolio Managers



William Curtayne
Portfolio Manager



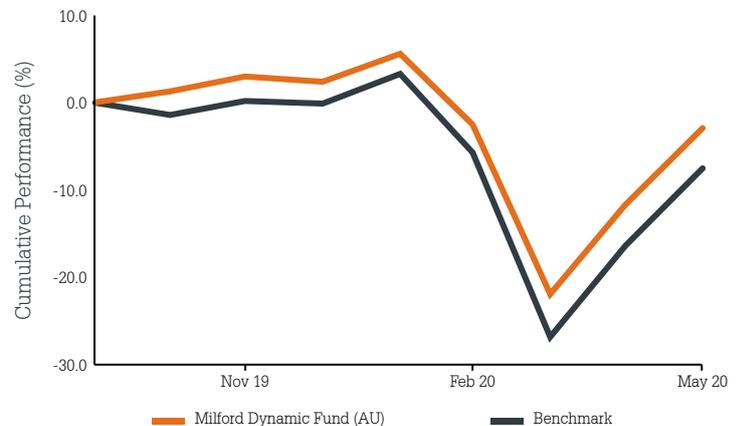
Michael Higgins
Portfolio Manager

The S&P/ASX Small Ordinaries rallied strongly in May, up 10.6% taking the rally since the market low on 23 March to an incredible 45.9%. The Fund returned 10.0% for the month, and -2.9% since the Fund's inception versus the benchmark performance of -6.7% over the same time. We were pleased our stock picking kept us within reach this month given our overall defensive positioning.

Once again, performance was led by gold mining companies Saracen and Evolution which rallied 17.7% and 19.4% respectively. As Australia's active Covid-19 cases continue to decline, companies exposed to the reopening of the economy led a strong recovery. Our exposure to domestic cyclical companies such as retirement community developer Lifestyle Communities (+26.0%), transit and tourism operator SeaLink (+16.6%) and car parts distributor Bapcor (+17.2%) led the recovery. We were particularly pleased with Sealink and Bapcor after materially increasing our positions during the recent sell off. EML Payments (+29.5%) also rebounded strongly as shopping malls reopened.

We are encouraged by Australia's response to Covid-19 and the reopening of the economy. While it will take time to return to pre-Covid levels, we think there are areas of opportunity across domestic cyclicals. In many cases, small capitalisation companies are the best place to gain this exposure. Volatility in the months ahead will deliver increased opportunities to generate outperformance.

Investment Performance to May 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 May</small>	\$0.9684
NAV <small>as at 31 May</small>	\$20.2 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 May 2020*

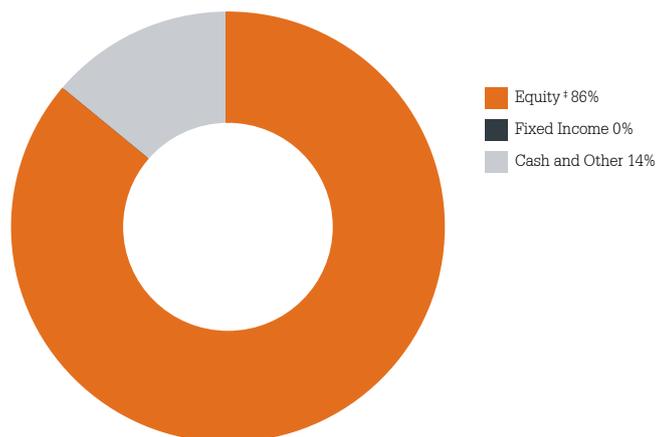
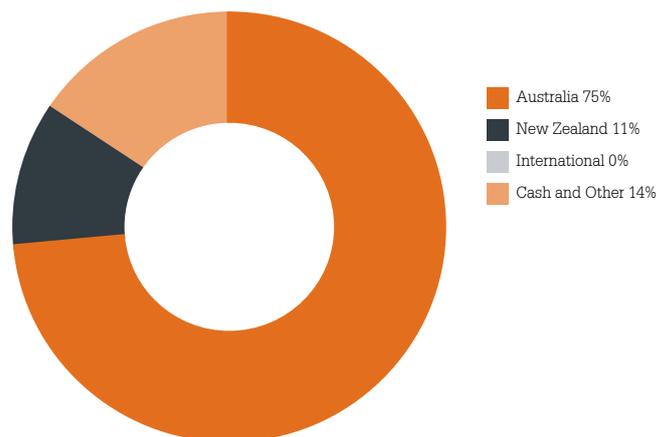
	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since Inception **
Milford Dynamic Fund (AU)	10.03%	-5.68%	-	-	-	-2.87%
Milford Dynamic Fund (Strategy)***	10.03%	-5.68%	8.08%	10.96%	8.27%	10.96%
Benchmark	10.59%	-7.66%	-2.91%	7.51%	6.58%	6.01%

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 Allocation¹Current Country Allocation¹

Top Security Holdings

Holdings	% of Fund's NAV
Evolution Mining	5.65%
Saracen Mineral Holdings	4.84%
Sealink Travel Group	3.43%
Collins Foods	3.32%
Bapcor	2.98%
EML Payments	2.98%
EQT Holdings	2.95%
IPH	2.93%
HUB24	2.90%
Lifestyle Communities	2.41%

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.

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

[†] Typically the country in which the company issuing the share/bond primarily operates

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