

Milford Dynamic Fund (AU)

ETL6978AU

July 2020



Portfolio Managers



William Curtayne
Portfolio Manager



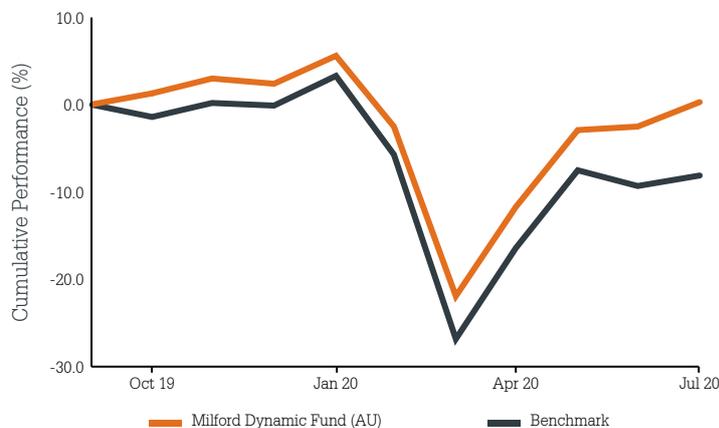
Michael Higgins
Portfolio Manager

Domestic equity markets remained robust through July, despite the renewed Melbourne lockdown and gradual spread of the outbreak to Sydney. The Dynamic Fund returned 2.9%, outperforming the S&P/ASX Small Ordinaries benchmark by 1.5% for the month.

Performance was led by independent investment platform HUB24 (+43.4%) which closed FY20 with \$17.2bn in Funds Under Administration, up 14% for the quarter and 34% on the previous period. HUB24 is a beneficiary from the structural migration of advisors away from the major banks and AMP into more nimble independent groups which favour superior technology platforms. Gold miners Saracen (+10.7%) and Evolution (+4.1%) performed strongly driven by continued quantitative easing programs conducted by Central Banks and safe-haven demand in an uncertain economic environment. While we took the opportunity to take some profits across a number of gold miners in the portfolio, we still retain a significant exposure at ~12% of total assets.

Detractors included retirement community developer Lifestyle Communities (-8.6%) and transit and domestic tourism operator SeaLink (-4.8%) – we retain a longer-term positive view on both companies. The inevitable volatility created with the upcoming August results season will be sure to provide some opportunities to deploy capital into oversold companies and reassess the investment thesis in our core holdings.

Investment Performance to July 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
mFund Code	MFA02
Redemption Price <small>as at 31 Jul</small>	\$1.0003
NAV <small>as at 31 Jul</small>	\$21.1 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 July 2020*

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since Inception**
Milford Dynamic Fund (AU)	2.94%	-5.02%	-	-	-	-
Milford Dynamic Fund (Strategy)***	2.94%	-5.02%	4.76%	11.77%	10.02%	11.19%
Benchmark	1.39%	-10.95%	-8.49%	6.47%	7.86%	5.76%

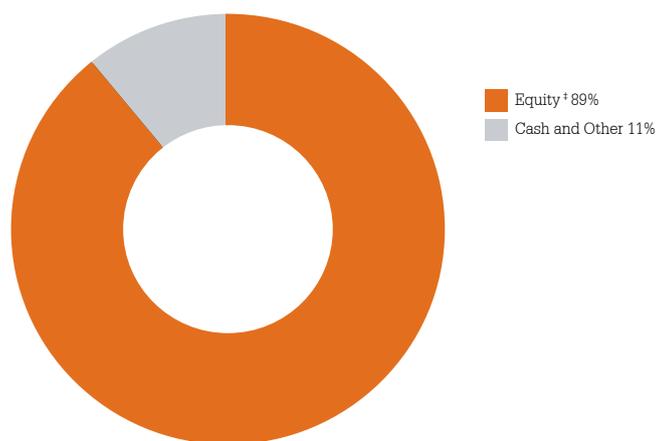
Past performance is not a reliable indicator of future performance.

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

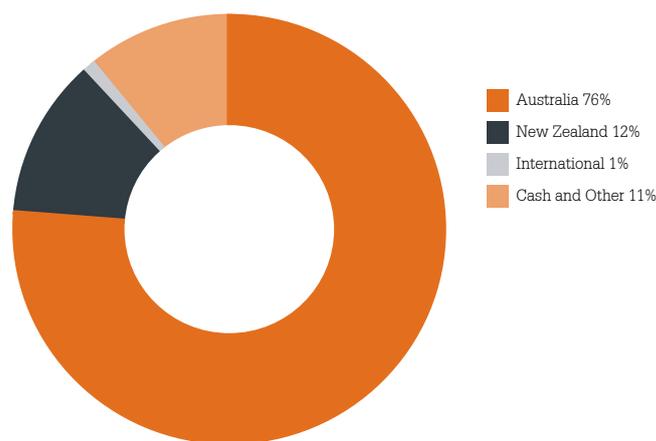
** Inception date of the Milford Dynamic Fund (Strategy) is 1 October 2013.

*** 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 Allocation^{†1}



Top Security Holdings

Holdings	% of Fund's NAV
Evolution Mining	4.40%
Bapcor	3.80%
Collins Foods	3.75%
HUB24	3.72%
Saracen Mineral Holdings	3.37%
Sealink Travel Group	3.08%
EQT Holdings	2.91%
IPH	2.80%
Fisher & Paykel Healthcare	2.74%
EML Payments	2.70%

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.

^{†1} Typically the country in which the company issuing the share/bond primarily operates

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