

Milford Dynamic Fund (AU)

August 2021



Portfolio Managers



William Curtayne
Portfolio Manager



Michael Higgins
Portfolio Manager

The Dynamic Fund returned 6.1% in August, outperforming the S&P/ASX Small Ordinaries benchmark by 1.1%. Overall, we saw strong results from companies over reporting season, and somewhat unsurprisingly a lack of future earnings guidance. This resulted in a rather forgiving equity market. The optimism allowed us to take profits in some of our strong performing core positions and redeploy across new ideas.

Performance was led by DGL (Dangerous Goods Logistics), an IPO that listed in May, which rallied ~44% following upgraded guidance. DGL is a founder-led business exposed to the logistics and storage of specialised chemicals. There are stringent regulatory requirements to ensure personnel and environmental safety which leads itself to high barriers to entry. The thematic is growing globally as environmental awareness improves.

Lifestyle Communities (+14.9%) another founder-led business, upgraded its 3-year settlement guidance for their in-demand homes. Lifestyle is the owner and operator of affordable, independent living communities catering to the elderly, semi-retired and retired Australians. Residents own their own home, and lease Lifestyle owned land/facilities from where their homes are located. Community facilities are incredible and they're finding high demand amongst the key 55 and 69 year old demographic.

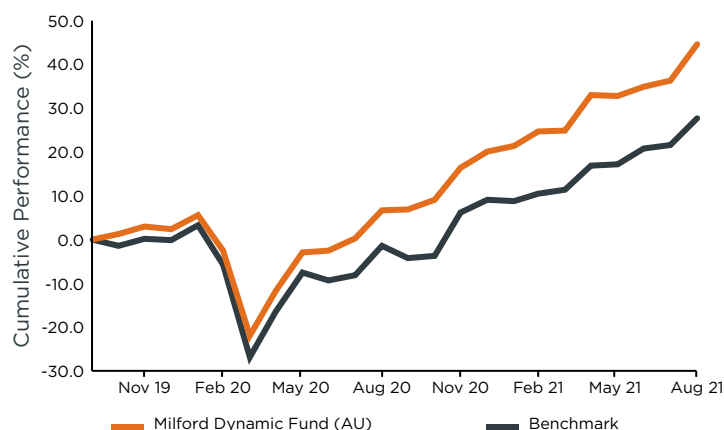
KFC restaurant owner Collins Foods (+11.9%) rallied on no specific news. Collins owns KFC franchises in Australia, Germany and the Netherlands. Collins manages to achieve steady growth each year by opening and acquiring new stores.

Exposures which detracted from performance was iron ore miner Champion Iron (-22.5%) which fell in response to commodity prices and Seven Group (-8.6%) which delivered a largely in line result but disappointed with a lower-than-expected growth rate across its main industrial division.

After well over a hundred company meetings in August, it's always an interesting task to compile our key themes from reporting season. These themes inform our positioning and provide direction into where we need to be looking to drive performance over the next 12 to 24 months.

Outside of the more obvious persistent challenges like labour shortages, shipping delays and general cost pressures, it was notable the degree of insider-selling we saw over the month. We live in a time of great uncertainty, so while this may just highlight a purely rational response, we have certainly taken the learning on board. As one of the greatest investors of all time Peter Lynch said, "insiders might sell their shares for any number of reasons, but they buy them for only one; they think the price will rise."

Investment Performance to August 2021*



* 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 over rolling five-year periods
Description	Primarily invests in small to mid-cap Australian equities
Benchmark	S&P/ASX Small Ordinaries (TR) Index
APIR	ETL6978AU
mFund Code	MFA02
Redemption Price as at 31 Aug	\$1.3543
NAV as at 31 Aug	\$35.7 Million
Inception Date	October 2019
Minimum Investment	\$20,000
Recommended Investment Timeframe	5 years +
Buy-sell Spread	+/-0.30%
Entry/Exit Fee	Nil
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
Distribution Frequency	Annual (30 June)

*Fees are stated exclusive of GST.

Milford Dynamic Fund (AU) August 2021

Investment Performance to August 2021 *

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.) **
Milford Dynamic Fund (AU)	6.09%	15.95%	35.53%	-	-	-
Milford Dynamic Fund (Strategy) ***	6.09%	15.95%	35.53%	15.53%	15.56%	14.77%
Benchmark	4.98%	15.58%	29.51%	10.09%	10.99%	9.40%
Over/Underperformance	1.11%	0.37%	6.02%	5.44%	4.57%	5.37%

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 01 October 2019.

*** 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).

Top Security Holdings

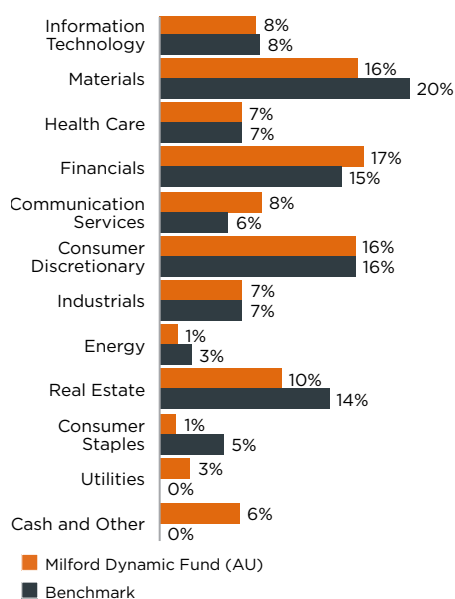
Holdings	% of Fund
Virgin Money	4.30%
Collins Foods	4.25%
Credit Corp	3.32%
IGO	3.26%
Carsales.Com	3.01%
Lifestyle Communities	2.98%
Seven Group	2.85%
Evolution Mining	2.63%
IPH	2.52%
Contact Energy	2.50%

Current Asset Allocation

	Actual	Neutral	Maximum Range
Australian Equities	90.20%	90%	80-100%
New Zealand Equities	3.31%	0%	0-20%
Cash and Other #	6.49%	10%	0-20%

Cash and Other reported above is adjusted to reflect the Fund's notional positions.

Sector Allocation



Ratings



Fund Changes

There have been no material changes to the Fund's risk profile or strategy since the last monthly report.

There have been no changes to the key service providers or individuals playing a key role in investment since the last monthly report.

Disclaimer: Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the responsible Entity for the Milford Dynamic Fund (AU). Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). This Monthly Fact Sheet has been prepared by Milford Australia Pty Ltd. as the Investment Manager, to provide you with general information only. In preparing this Monthly Fact Sheet, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Milford Australia Pty Ltd., Equity Trustees nor any of their related parties, employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance is not a reliable indicator of future performance. You should obtain a copy of the Product Disclosure Statement before making a decision about whether to invest in this product.

ZENITH DISCLAIMER: The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (assigned February/2021) referred to in this document is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at <http://www.zenithpartners.com.au/RegulatoryGuidelines>

LONSEC DISCLAIMER: The rating issued 08/2020 is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. © 2020 Lonsec. All rights reserved.