

Milford Dynamic Small Companies Fund

April 2024



Portfolio Managers



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Portfolio Manager



Michael Higgins
Portfolio Manager



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Following a relentless rally over the past six months, equity markets fell in April as investors grappled with lower growth coupled with sticky inflation. This falls broadly in line with our view indicated last year that markets in Australia were pricing an overly optimistic path for interest rates. The S&P/ASX Small Ordinaries fell 3.1% against the Fund (-2.0%).

Performance was led by Americas-focused copper mining company Capstone (+13.0%). We remain positive on the copper dynamic as concerns over large deficits in global ore supply put upward pressure on prices. Key events underpinning our view are (i) generally resilient global economic growth, (ii) approaching Fed easing, (iii) global supply shocks to key mines in Congo, Zambia and Chile and, (iv) additional demand from AI/data centre-required investment.

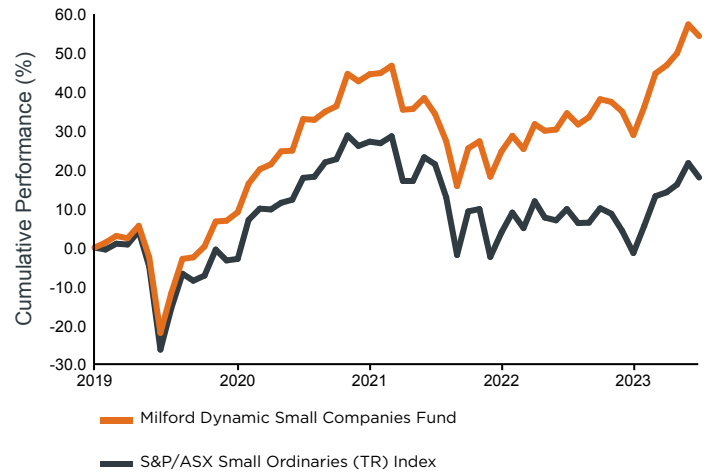
Gold miner Newmont (+18.6%) rallied after beating production expectations. Newmont has suffered several operational setbacks during 2023, with the impacts continuing into 2024. We feel the leverage to copper production, coupled with a record high gold price, underpins an attractive near-term growth outlook.

Radiopharmaceutical company Telix Pharmaceuticals (+16.8%) rallied following a trading update. Telix's drug ILLUCCIX delivered another acceleration of growth. The success of the diagnostic drug has been crucial in funding significant progress in Telix's therapeutic pipeline, which remains catalyst rich.

Key detractors included Beach Energy (-12.3%) which disappointed as it delayed opening its long-awaited Waitsia gas plant by six months. Viva Energy (-7.3%) also fell as global refiner margins contracted.

Given the uncertainty and potential signs of stagflation, we have an increased focus on identifying quality businesses with resilient growth attributes that should perform well in an uncertain environment. We remain overweight in higher-for-longer interest rate beneficiaries like insurers; resource companies leveraged to energy and copper thematic; and those companies undergoing a step change in growth prospects.

Investment Performance to April 2024¹



Key Fund Facts

Objective	The fund targets outperformance of the S&P/ASX Small Ordinaries (TR) Index over the minimum recommended investment timeframe (net of fees)
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 30 Apr	\$1.3042
Fund Size*	\$100.7 Million
Inception Date	October 2019
Minimum Investment	\$1,000
Recommended Investment Timeframe	8 years +
Buy-sell Spread	+/-0.30%
Entry/Exit Fee	Nil
Management Fee	1.23%
Performance Fee	20.5% p.a. of returns above the benchmark subject to achieving the high watermark.
Fund Pricing	Daily
Distribution Frequency	Biannual

*The Fund Size represents the total assets of the fund

Milford Dynamic Small Companies Fund April 2024

Investment Performance to April 2024²

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.) ³
Milford Dynamic Small Companies Fund	-1.95%	19.67%	14.71%	5.08%	-	-
Milford Dynamic Fund (Strategy) ⁴	-1.95%	19.67%	14.71%	5.08%	12.02%	11.54%
Benchmark	-3.06%	19.66%	7.36%	0.02%	3.93%	6.07%
Excess Return	1.11%	0.01%	7.35%	5.06%	8.09%	5.47%

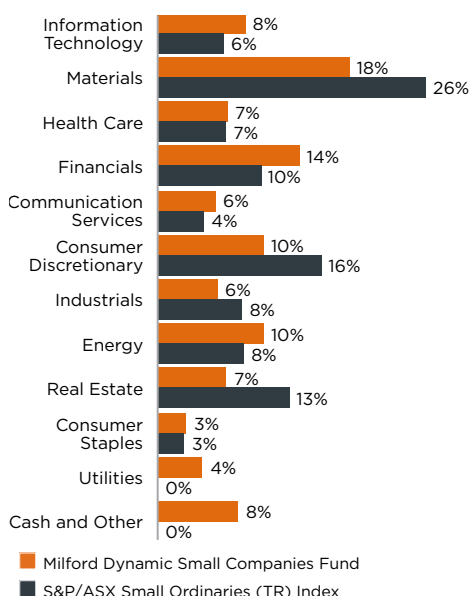
Top Security Holdings

Holdings	% of Fund
Viva Energy Group	3.85%
Contact Energy	3.07%
Carsales.Com	2.99%
Life360	2.67%
Neuren Pharmaceuticals	2.55%
Waypoint REIT	2.44%
Macquarie Technology	2.40%
Suncorp Group	2.28%
Light & Wonder	2.24%
Nexgen Energy	2.11%

Current Asset Allocation

	Actual	Neutral	Maximum Range
Australian Equities	86.54%	90%	60-100%
New Zealand Equities	5.75%	0%	0-20%
Cash and Other ⁵	7.72%	10%	0-20%

Sector Allocation



Ratings



Morningstar Medalist Rating™
 As at 31-08-2023
 Analyst-Driven % 55
 Data Coverage % 98

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.



Milford Dynamic Small Companies Fund April 2024

Platform Availability

Asgard, BT Panorama, HUB24, IOOF, Macquarie Wrap, Mason Stevens, mFund, MLC, MyNorth, Netwealth, PowerWrap, Praemium, Xplore Wealth Ltd, Dash

1. Cumulative performance since inception, after all fees and expenses, and assumes reinvestment of distributions. 2. Past performance is not a reliable indicator of future performance. Returns greater than one year are annualised. 3. Inception date of the Milford Dynamic Fund (strategy) is 01 October 2013. 4. 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 Small Companies Fund 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 Small Companies Fund. 5. Cash and Other reported above is adjusted to reflect the Fund's notional positions.

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Milford Dynamic Small Companies Fund's Target Market Determination is available at <https://milfordasset.com.au/documents-and-forms>. The Target Market Determination is a document describing who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.

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The Morningstar Medalist Rating™ for Milford Dynamic Small Companies Fund is "Gold" as of 31/08/2023.

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