

# Milford Dynamic Small Companies Fund

April 2024



## Portfolio Managers



**William Curayne**  
Portfolio Manager



**Michael Higgins**  
Portfolio Manager



**Roland Houghton**  
Co-Portfolio Manager

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.

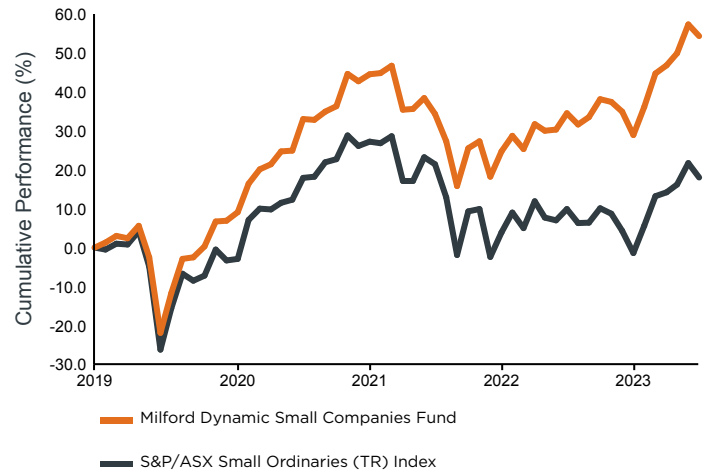
Gold miner Newmont (+18.6%) rallied after beating production expectations. Newmont has suffered several operational setbacks during 2023, with the impacts continuing into 2024. We feel the leverage to copper production, coupled with a record high gold price, underpins an attractive near-term growth outlook.

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 thematics; and those companies undergoing a step change in growth prospects.

## Investment Performance to April 2024<sup>1</sup>



## Key Fund Facts

<b>Objective</b>	The fund targets outperformance of the S&P/ASX Small Ordinaries (TR) Index over the minimum recommended investment timeframe (net of fees)
<b>Description</b>	Primarily invests in small to mid-cap Australian equities
<b>Benchmark</b>	S&P/ASX Small Ordinaries (TR) Index
<b>APIR</b>	ETL6978AU
<b>mFund Code</b>	MFA02
<b>Redemption Price as at 30 Apr</b>	\$1.3042
<b>Fund Size*</b>	\$100.7 Million
<b>Inception Date</b>	October 2019
<b>Minimum Investment</b>	\$1,000
<b>Recommended Investment Timeframe</b>	8 years +
<b>Buy-sell Spread</b>	+/-0.30%
<b>Entry/Exit Fee</b>	Nil
<b>Management Fee</b>	1.23%
<b>Performance Fee</b>	20.5% p.a. of returns above the benchmark subject to achieving the high watermark.
<b>Fund Pricing</b>	Daily
<b>Distribution Frequency</b>	Biannual

\*The Fund Size represents the total assets of the fund

# Milford Dynamic Small Companies Fund April 2024

## Investment Performance to April 2024<sup>2</sup>

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.) <sup>3</sup>
Milford Dynamic Small Companies Fund	-1.95%	19.67%	14.71%	5.08%	-	-
Milford Dynamic Fund (Strategy) <sup>4</sup>	-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%

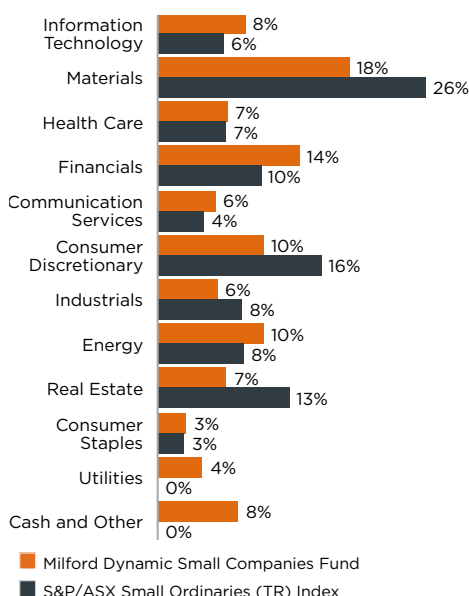
## Top Security Holdings

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 <sup>5</sup>	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, Xplora 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.

Disclaimer: Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the responsible Entity for the Milford Dynamic Small Companies Fund. 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.

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.

ZENITH DISCLAIMER: The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (assigned March/2023) 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 10/2022 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](http://lonsec.com.au) for ratings information and to access the full report. © 2022 Lonsec. All rights reserved.

lonsec.com.au for ratings information and to access the full report. © 2022 Lonsec. All rights reserved.  
The Morningstar Medalist Rating™ for Milford Dynamic Small Companies Fund is "Gold" as of 31/08/2023.

© 2023 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report or data has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at [www.morningstar.com.au/s/fsg.pdf](http://www.morningstar.com.au/s/fsg.pdf). You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Morningstar's publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser.