

Milford Dynamic Small Companies Fund

February 2025



Portfolio Managers



William Curtayne
Portfolio Manager



Michael Higgins
Portfolio Manager



Roland Houghton
Co-Portfolio Manager

The Fund fell 3.3% for the month, underperforming the S&P/ASX Small Ordinaries benchmark which fell 2.8%. Volatility continues to be a theme in 2025, with global equity markets selling off on concerns of slowing global growth. Within small companies, results day share price moves were skewed to the downside. Not only was it dangerous for companies that missed expectations, but it was sometimes equally as treacherous for consensus trades with lofty expectations.

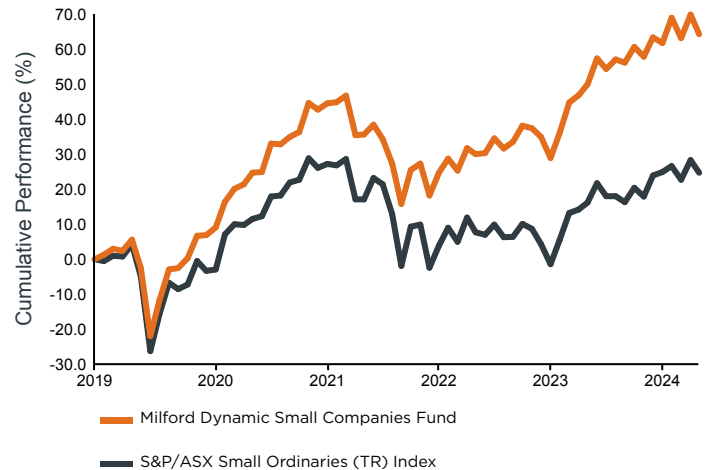
Australian Ethical Investments (+24.8%) provided a bright spot across the month. Australian Ethical is one of the oldest and longest standing ethical fund managers in Australia. Investors are predominantly sourced directly with a heavy skew towards superannuation. The firm has grown funds under management (FUM) consistently in recent years with the company recently delivering strong operating leverage on 29% FUM growth.

Leading aged care operator Regis Healthcare (+0.9%) performed resiliently over the month. While the aged care sector has faced challenges due to limited support in recent years, bipartisan backing for the Aged Care Act is set to provide much-needed funding, improving industry operating margins. Regis is well-capitalised to take advantage of attractive greenfield investment opportunities and sector consolidation. Additionally, in a tight market, its premium offering positions it to command higher rates, further strengthening its growth potential.

Gold miner Evolution Mining (+6.8%) performed strongly reflecting the recent gold advance. While we remain positive on the medium-term outlook for gold, we've tactically taken some profits given the strength of the move.

The recent volatility has created an investment environment ideal to our active investment approach. While reporting season wasn't our strongest in recent memory, it offered a great opportunity to reassess investment theses in our core holdings and peruse the inevitable fallen angels. An interesting dynamic this year was that a high proportion of fallen angels were founder-led companies. We've found that founder-led, family-linked or employee-owned businesses traditionally have an exceptional track record of outperformance, so we enter March excited to revisit these opportunities.

Cumulative Performance (after fees and expenses) 28 February 2025¹



Performance since inception and assumes reinvestment of distributions. Past performance is not a reliable indicator of future performance.

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	MFAO2
Redemption Price as at 28 Feb	\$1.2931
Fund Size*	\$138.4 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 as at 28 February 2025

Investment Performance to 28 February 2025

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Small Companies Fund	-3.33%	-2.79%	9.50%	6.59%	10.98%	-
Milford Dynamic Fund (Strategy) ¹	-3.33%	-2.79%	9.50%	6.59%	10.98%	11.26%
Benchmark	-2.80%	-1.46%	7.33%	2.13%	5.57%	6.13%
Excess Return	-0.53%	-1.33%	2.17%	4.46%	5.41%	5.13%

Past performance is not a reliable indicator of future performance. Returns greater than one year are annualised.

Top Security Holdings

Holdings	% of Fund
Life360	3.76%
Contact Energy	3.08%
Regis Healthcare	2.81%
Generation Development Group	2.70%
CAR Group	2.69%
Sigma Healthcare	2.11%
Tuas	2.01%
Ridley Corporation	2.01%
Universal Store	1.94%
SG Fleet	1.90%

Current Asset Allocation

	Actual	Neutral	Maximum Range
Australian Equities	83.99%	90%	60-100%
New Zealand Equities	6.45%	0%	0-20%
Cash and Other	9.57%	10%	0-20%

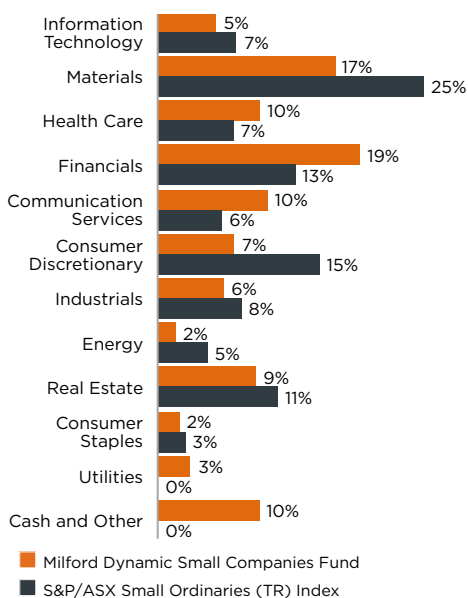
Ratings



Morningstar Medalist Rating™

As at 31-10-2024
Analyst-Driven % 55
Data Coverage % 98

Sector Allocation



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 as at 28 February 2025

Platform Availability

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

1. 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.

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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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