

Milford Dynamic Small Companies Fund

March 2025



Portfolio Managers



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Portfolio Manager



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Portfolio Manager



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Policy uncertainty continues to unsettle equity markets. The Fund fell 3.1% for the month, against the S&P Small Ordinaries benchmark which fell 3.6%. Small cap stocks have not been immune to the volatility from Trump's tariffs leading to concerns of slowing global growth. Within small companies, weakness was skewed to expensive technology companies, many of which underpinned the bull market of 2024.

Performance was led by payment terminal provider Smartpay (+49.5%) following two separate conditional proposals for its acquisition. One was from Tyro and the other was from an undisclosed international company. Smartpay has recently been suffering domestic regulatory concerns, which will become clearer over the coming months. The opportunistic proposal is preliminary in nature and comes during a period of vulnerability. We remain excited about Smartpay's NZ acquiring opportunity, which sounds to be tracking well.

NSW mining company Aurelia Metals (+30.0%) continues to execute well, with improved productivity over the past 18 months finally being appreciated by the market. The operation is self-funding with the Federation mine coming online on time, within budget and performing better in processing metals. We believe Aurelia is well placed to continue to execute, and offers one of the more attractive base metal exposures. Despite a strong rally in the share price, valuation metrics remain attractive.

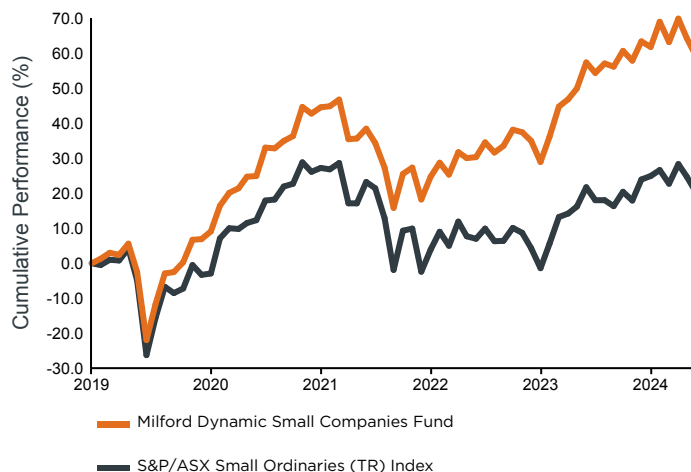
Gold miner Catalyst (+41.3%) performed strongly reflecting the recent gold advance. Complementing the gold price was promising drilling results, which validate the Plutonic Belt's scale and mineralisation. We keenly await further drilling results this year.

Key detractors include technology companies CAR Group (-13.9%) and Life360 (-15.0%). While we remain confident in the multi-year opportunity ahead for both companies, we reduced position sizes early in the month as we actively manage overall risk within the portfolio.

The outlook is becoming more difficult for equity markets, requiring a more disciplined approach to risk management and identifying new opportunities. We remain deliberately diversified across the five key categories we monitor to ensure portfolio balance. In recent months our allocation towards defensives and income companies has increased, largely at the expense of our growth allocation. Our investment strategy has always spanned multiple sectors and styles, with resources and gold becoming increasingly significant considerations. We believe the current volatile conditions will favour broad stock picking strategies like ours, over more rigid, one-dimensional approaches.

Cumulative Performance (after fees and expenses)

31 March 2025



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 31 Mar | \$1.2525 |
| Fund Size* | \$137.8 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 31 March 2025

Investment Performance to 31 March 2025

| | 1 Month | 3 Months | 1 year | 3 years (p.a.) | 5 years (p.a.) | Since inception (p.a.) |
|--|---------|----------|--------|----------------|----------------|------------------------|
| Milford Dynamic Small Companies Fund | -3.14% | -2.49% | 1.06% | 4.74% | 15.29% | - |
| Milford Dynamic Fund (Strategy) ¹ | -3.14% | -2.49% | 1.06% | 4.74% | 15.29% | 10.86% |
| Benchmark | -3.60% | -2.00% | -1.26% | -0.82% | 10.24% | 5.74% |
| Excess Return | 0.46% | -0.49% | 2.32% | 5.56% | 5.05% | 5.12% |

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

Top Security Holdings

| Holdings | % of Fund |
|----------------------|-----------|
| Contact Energy | 3.15% |
| Regis Healthcare | 3.14% |
| Capricorn Metals | 2.47% |
| Tuas | 2.15% |
| Sigma Healthcare | 2.08% |
| Ridley Corporation | 2.05% |
| FleetPartners | 1.98% |
| Region RE | 1.97% |
| Integral Diagnostics | 1.95% |
| SG Fleet | 1.91% |

Current Asset Allocation

| | Actual | Neutral | Maximum Range |
|----------------------|--------|---------|---------------|
| Australian Equities | 83.67% | 90% | 60-100% |
| New Zealand Equities | 5.57% | 0% | 0-20% |
| Cash and Other | 10.76% | 10% | 0-20% |

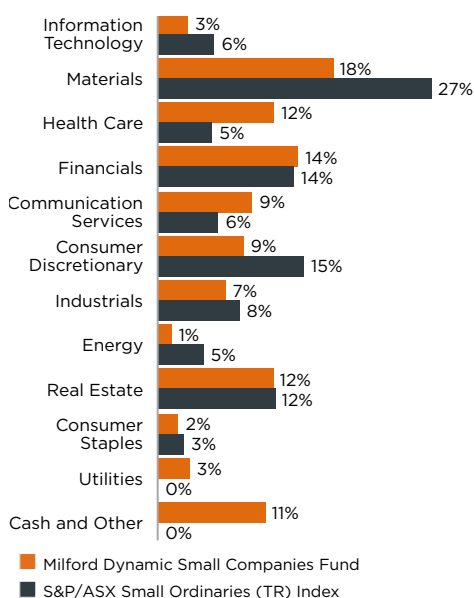
Ratings



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 31 March 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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