

Milford Dynamic Small Companies Fund

May 2024



Portfolio Managers



William Curayne
Portfolio Manager



Michael Higgins
Portfolio Manager



Roland Houghton
Co-Portfolio Manager

The Fund returned 1.8% for the month, ahead of the S&P/ASX Small Ordinaries benchmark which finished broadly flat (-0.1%). The flat benchmark result concealed some early signs of cracks in consumer balance sheets. Our stock picking to date has been good, and we've also managed to sidestep a few fallen angels.

Performance was led by Neuren Pharmaceuticals (+12.7%) following the readout results for NNZ-2591 treating Pitt-Hopkins syndrome. The consistency of the results, efficacy and benign safety profile exceeded our high expectations. The company remains catalyst rich, with additional topline results for its drug treating Angelman syndrome expected within six weeks.

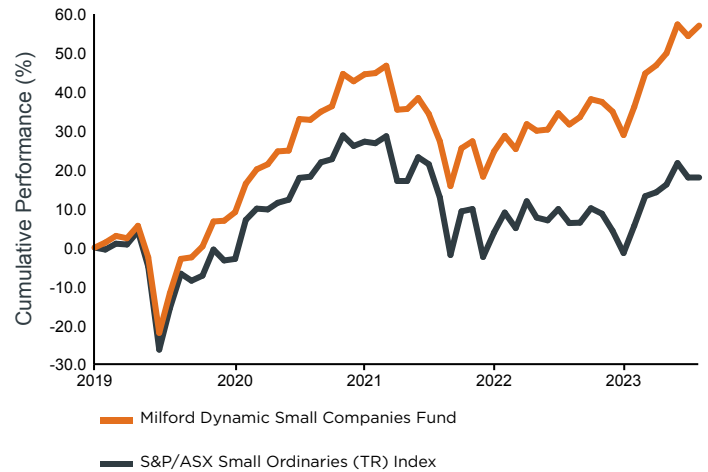
Radiopharmaceutical company Telix Pharmaceuticals (+20.6%) rallied following favourable survival data for its treatment of radiographic castration-resistant prostate cancer. The result is another positive step towards progressing its therapeutic pipeline which remains catalyst rich. That said, with a strong share price rally over two months, we have reduced position size and locked in profits.

Infant formula company A2 Milk (+14.9%) continues to execute in a challenging market. A2M's brand health metrics are strong, with market share gains across most distribution channels. We also share management's optimism on a recovery in China birth rates.

Key detractors included Universal Store (-14.7%), which we think is a market share growth story, and remains attractive from a valuation perspective. We also continue to like Flight Centre (-11.1%) despite recent share price weakness. Given the uncertainty and potential signs of stagflation, we have an increased focus on identifying quality businesses with resilient growth attributes.

Our caution towards expensive consumer discretionary companies remains, as we see underlying data continue to soften. We prefer companies supported by favourable aging and wealth demographics, such as those in the travel sector. Additionally, we remain overweight on those companies poised to benefit from prolonged higher interest rates, such as insurers. We also favour resource companies leveraged to energy and copper markets, as well as companies experiencing a step change in growth prospects.

Investment Performance to May 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 31 May	\$1.3276
Fund Size*	\$105.3 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 May 2024

Investment Performance to May 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	1.79%	15.35%	19.31%	5.75%	-	-
Milford Dynamic Fund (Strategy) ⁴	1.79%	15.35%	19.31%	5.75%	11.80%	11.63%
Benchmark	-0.05%	11.74%	10.92%	-0.08%	4.18%	6.02%
Excess Return	1.84%	3.61%	8.39%	5.83%	7.62%	5.61%

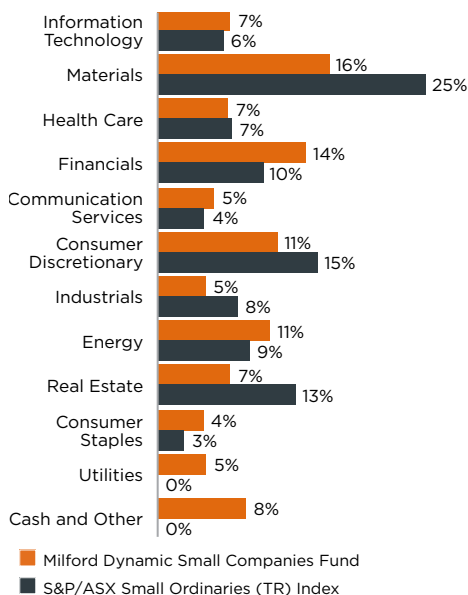
Top Security Holdings

Holdings	% of Fund
Viva Energy Group	3.72%
Life360	3.23%
Contact Energy	3.16%
Neuren Pharmaceuticals	3.01%
Carsales.Com	2.94%
Webjet	2.64%
Macquarie Technology	2.52%
PSC Insurance Group	2.48%
a2 Milk	2.45%
Waypoint REIT	2.33%

Current Asset Allocation

	Actual	Neutral	Maximum Range
Australian Equities	84.59%	90%	60-100%
New Zealand Equities	7.08%	0%	0-20%
Cash and Other ⁵	8.33%	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 May 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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