

Milford Dynamic Fund (AU)

November 2020



Portfolio Managers



William Curtayne
Portfolio Manager



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Portfolio Manager

Small capitalisation companies rallied strongly in November as the financial market gained confidence following promising vaccine news combined with favourable policy conditions. The Fund returned 6.0% for the month which lagged the ASX/S&P Small Ordinaries benchmark return of 10.2%.

We were very pleased with our strong absolute performance given the rotation away from the winners of prior months into the laggards. Performance was led by Sealink (+21.9%), video equipment manufacturer Atomos (58.3%) and payments provider EML Payments (+23.9%). Sealink's Marine and Tourism segment is exposed to in-demand island tourist destinations such as Rottneest, Magnet and Fraser Islands. Both anecdotal and industry feedback suggests that tourism volumes have been strengthening despite international borders remaining closed.

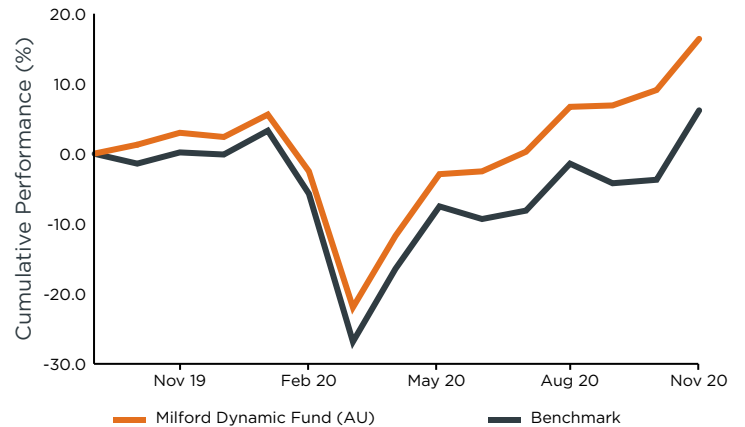
Atomos creates easy to use, 4k and HD Apple monitor recorders. These products give video professionals a faster, higher quality and more affordable product used for social media, YouTube, TV or cinema. Revenues have recovered to pre-Covid levels. Pleasingly, this recovery reflects demand for the existing product releases. We remain optimistic about new products which will expand total addressable market from new market segments.

EML Payments is well positioned to benefit from the structural shift to digital payments. They generate revenue from Gross Debit Value which will continue to grow in line with contract wins across a multitude of sectors and new verticals. The company rallied following AGM commentary which reminded investors of its significant opportunity pipeline.

Detractors included gold companies Evolution (-10.3%) and Saracen (-16.5%) as the vaccine developments changed investor's risk appetite.

A potential vaccine also reduces the tail risk of a severe economic outcome, we therefore took the opportunity to trim some of our gold exposures. We continue to adapt the portfolio by increasing our exposure to recovery stocks where we can identify relative value. Our target is to achieve a better balance given the broad array of economic uncertainties and scenarios in the months ahead. That said, our core positions remain in quality companies we believe can continue to perform despite uncertain conditions.

Investment Performance to November 2020*



* Cumulative performance since inception, after all fees and expenses, and assumes reinvestment of distributions.

Key Fund Facts

Objective	The fund targets outperformance of the S&P/ASX Small Ordinaries (TR) Index
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 Nov	\$1.1606
NAV as at 30 Nov	\$24.8 Million
Inception Date	October 2019
Minimum Investment	\$20,000
Recommended Investment Timeframe	5 years +
Buy-sell Spread	+/-0.30%
Entry/Exit Fee	Nil
Distribution Frequency	Annual (30 June)
Management Fee*	1.10%
Capped Expense Recovery*	0.10%
Performance Fee*	20% p.a. of returns above the benchmark subject to achieving the high watermark.
Fund Pricing	Daily

* Fees are stated exclusive of GST.

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Investment Performance to November 2020*

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)**
Milford Dynamic Fund (AU)	6.67%	19.85%	13.04%	-	-	-
Milford Dynamic Fund (Strategy)***	6.67%	19.85%	13.04%	12.76%	13.05%	12.97%
Benchmark	10.27%	14.78%	5.98%	6.73%	10.70%	7.62%
Over/Underperformance	-3.60%	5.07%	7.06%	6.03%	2.35%	5.35%

Past performance is not a reliable indicator of future performance. * Net performance figures are shown after all fees and expenses, and assumes reinvestment of distributions. ** Inception date of the Milford Dynamic Fund (Strategy) is 1 October 2019. *** 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 Fund (AU) 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 Fund (AU).

Top Security Holdings

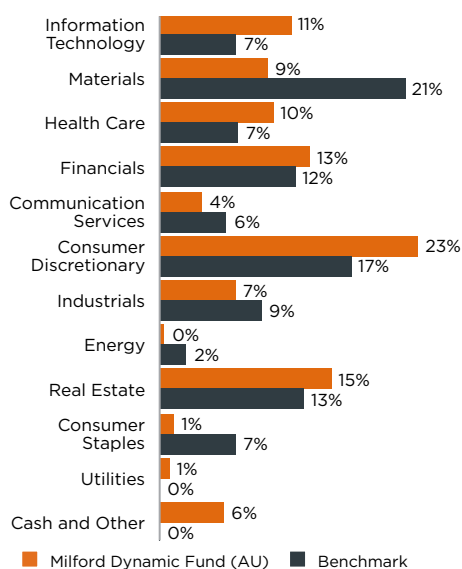
Holdings	% of Fund
Sealink Travel Group	4.54%
Fisher & Paykel Healthcare	4.31%
EML Payments	3.52%
Collins Foods	3.48%
Seven Group Holdings	3.14%
Bapcor	3.11%
CSR	2.99%
Lifestyle Communities	2.96%
IPH	2.86%
EQT Holdings	2.78%

Current Asset Allocation

	Actual	Neutral	Maximum Range
Australian Equities	91.50%	90%	80-100%
New Zealand Equities	2.91%	0%	0-20%
Cash and Other #	5.59%	10%	0-20%

Cash and Other reported above is adjusted to reflect the Fund's notional positions.

Sector Allocation



Ratings



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 PDS was issued.