

Milford Dynamic Small Companies Fund

November 2024



Portfolio Managers



William Curtayne
Portfolio Manager



Michael Higgins
Portfolio Manager



Roland Houghton
Co-Portfolio Manager

The Fund returned 4.5% for the month, ahead of the S&P/ASX Small Ordinaries which finished 1.3%. The benchmark performance concealed a divergence across sectors, with industrials materially outperforming resources following a Trump clean sweep.

Pharmaceutical distributor Sigma Healthcare (+47.4%) rallied on the confirmation from the ACCC (Australian Competition and Consumer Commission) it would not oppose a merger with Chemist Warehouse Group. The discount retailer possesses a dominant competitive position in its respective niche. It also offers an attractive growth pipeline domestically and internationally across New Zealand, Ireland and China.

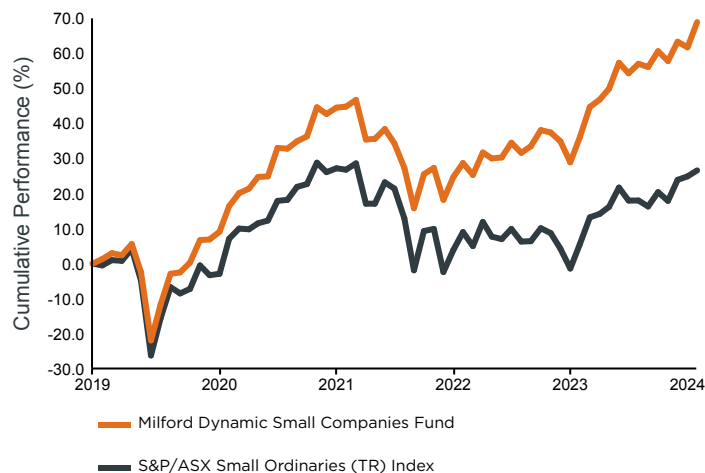
Family location safety app Life360 (+15.2%) has continued its recent strong performance. High-frequency data usage continues to be encouraging, suggesting trends across key geographies all continue to improve. Life360 is a top 10 social networking app in 67 countries, making it a valuable distribution channel for advertisers. This is not only a very lucrative potential earnings stream, but also materially de-risks the core business.

Financial Services company Block, Inc (+23.8%) rallied following a strong result. Block is an innovative company with a strong brand-offering to both sellers and consumers. The business has improved profitability and aims to reach the rule of 40 by 2026 (mid-teens revenue growth and ~25% profit margin). The rule is a financial metric which looks for a company's combined revenue growth rate and profit margin to be at least 40%. Despite a strong run recently, Block is still reasonable value.

Key detractors included terminal provider SmartPay (-9.8%) on domestic regulatory concerns, and global fund manager GQG (-14.1%) following announced exposure to the Adani Group of companies.

Recent volatility has created an investment environment ideal to our active investment approach. While we maintain a broadly constructive long-term outlook for the Australian economy and markets, we acknowledge that near-term risks, including extreme valuations and concentrated market positions, could pose challenges in 2025. Given the uncertainty, we remain disciplined in our strategy of generating strong risk-adjusted returns through the cycle. We remain deliberately well diversified, continue to selectively take profits, with a preference for high quality companies where we see absolute value.

Investment Performance to November 2024¹



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	MFA02
Redemption Price as at 30 Nov	\$1.3392
Fund Size*	\$130.5 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

Investment Performance to November 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	4.45%	7.54%	24.05%	5.26%	10.39%	-
Milford Dynamic Fund (Strategy) ⁴	4.45%	7.54%	24.05%	5.26%	10.39%	11.80%
Benchmark	1.32%	7.28%	19.88%	-0.08%	4.60%	6.41%
Excess Return	3.13%	0.26%	4.17%	5.34%	5.79%	5.39%

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

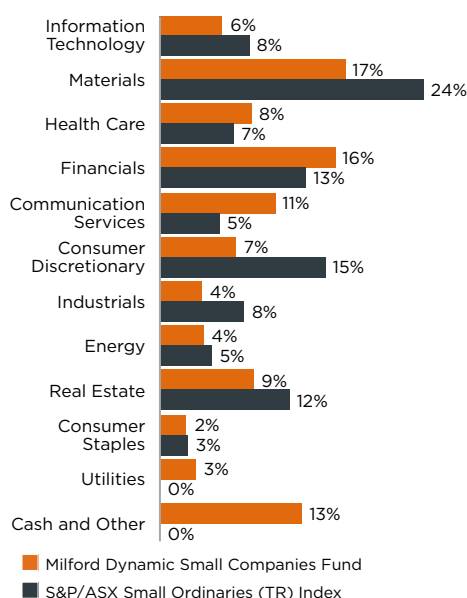
Top Security Holdings

Holdings	% of Fund
Life360	4.02%
Contact Energy	3.29%
Carsales.Com	2.94%
Sigma Healthcare	2.80%
Ridley Corporation	2.46%
FleetPartners	2.24%
Tuas	2.07%
Region RE	1.99%
Jumbo Interactive	1.89%
Flight Centre	1.82%

Current Asset Allocation

	Actual	Neutral	Maximum Range
Australian Equities	79.46%	90%	60-100%
New Zealand Equities	7.50%	0%	0-20%
Cash and Other ⁵	13.04%	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 November 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 (NZ) 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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