

Milford Dynamic Small Companies Fund

October 2024



Portfolio Managers



William Curayne
Portfolio Manager



Michael Higgins
Portfolio Manager



Roland Houghton
Co-Portfolio Manager

In what was a choppy month for economic data and geopolitical tensions, the S&P/ASX Small Ordinaries finished 0.8% ahead, while the Fund lagged, falling 1.0% in October. While consumer discretionary holdings outperformed more broadly, we were unfortunately hit with some poor trading updates, reinforcing the varied and tricky operating conditions many companies still face.

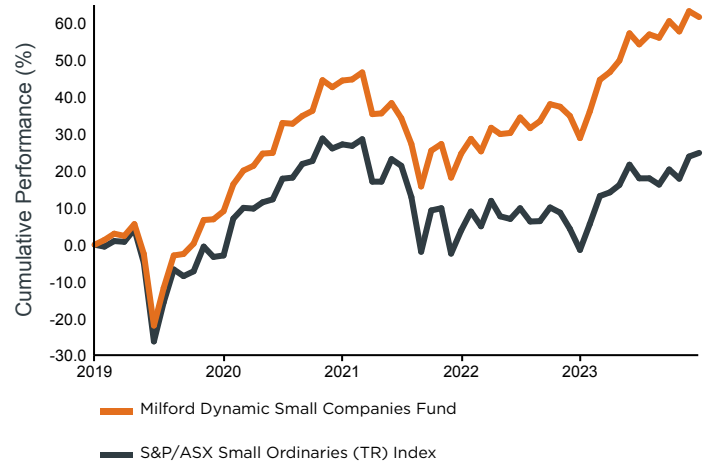
Performance was led by family location safety app Life360 (+16.0%). App-download data continues to be encouraging, suggesting trends across key geographies all continue to improve. Life360 is a top 10 social networking app in 67 countries, making it a valuable distribution channel for advertisers. This is not only a very lucrative potential earnings stream, but also materially de-risks the core business.

Pharmaceutical distributor Sigma Pharmaceuticals (+36.5%) rallied on the increased probability of merging with Chemist Warehouse. 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. While we remain confident of the probability of ACCC approval, it is not certain. We continue to manage our position size to reflect this risk. Prospective uranium developer NexGen Energy (+20.1%) rallied strongly on the back of improving sentiment towards nuclear power. This was fuelled by announcements from Amazon and Google in October, both announcing nuclear energy investment – this follows Microsoft's September agreement to restart the Three Mile Island nuclear generating station. Nuclear power has seen a resurgence as big tech companies explore reliable low-carbon power sources.

Key detractors included terminal provider SmartPay (-34.2%) on domestic regulatory concerns, and Flight Centre (-28.5%) following a weak quarterly trading update.

There is no shortage of vulnerabilities facing equity markets over the coming quarters. Inflation is not cured, geopolitical tensions are escalating, and the US election looms (at the time of writing). However, significant fiscal stimulus is buoying economic growth, which in turn is broadly supporting earnings. Our conviction in any given direction is not high, so we are staying focused on our strategy of generating strong risk-adjusted returns through the cycle. We remain deliberately well diversified, continue to take profits where appropriate, with a preference for high quality companies where we see absolute value.

Investment Performance to October 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 31 Oct	\$1.2821
Fund Size*	\$121.2 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 October 2024

Investment Performance to October 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	-1.00%	4.81%	25.42%	3.82%	9.79%	-
Milford Dynamic Fund (Strategy) ⁴	-1.00%	4.81%	25.42%	3.82%	9.79%	11.46%
Benchmark	0.80%	5.84%	26.65%	-0.61%	4.65%	6.33%
Excess Return	-1.80%	-1.03%	-1.23%	4.43%	5.14%	5.13%

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

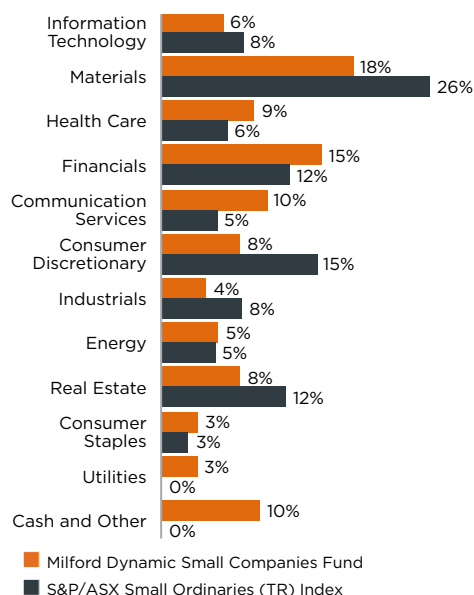
Top Security Holdings

Holdings	% of Fund
Life360	4.05%
Contact Energy	3.38%
Carsales.Com	3.12%
Ridley Corporation	2.94%
Northern Star	2.20%
Tuas	2.02%
Region RE	2.02%
FleetPartners	1.99%
Viva Energy Group	1.97%
Jumbo Interactive	1.88%

Current Asset Allocation

	Actual	Neutral	Maximum Range
Australian Equities	81.31%	90%	60-100%
New Zealand Equities	9.19%	0%	0-20%
Cash and Other ⁵	9.51%	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 October 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 (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.

Disclaimer: Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the responsible Entity for the Milford Dynamic Small Companies Fund. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). This Monthly Fact Sheet has been prepared by Milford Australia Pty Ltd. as the Investment Manager, to provide you with general information only. In preparing this Monthly Fact Sheet, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Milford Australia Pty Ltd., Equity Trustees nor any of their related parties, employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance is not a reliable indicator of future performance. You should obtain a copy of the Product Disclosure Statement before making a decision about whether to invest in this product.

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.

ZENITH DISCLAIMER: The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (assigned March/2023) referred to in this document is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at <http://www.zenithpartners.com.au/RegulatoryGuidelines>

LONSEC DISCLAIMER: The rating issued 10/2022 is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. © 2022 Lonsec. All rights reserved.

The Morningstar Medalist Rating™ for Milford Dynamic Small Companies Fund is "Gold" as of 31/08/2023.

© 2023 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report or data has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Morningstar's publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser.