

Milford Dynamic Fund (AU)

January 2020



Portfolio Managers



William Curtayne
Portfolio Manager



Michael Higgins
Portfolio Manager

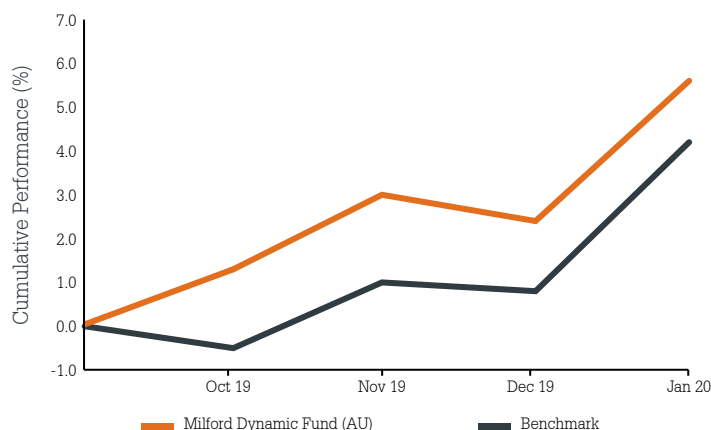
The Australian market had an optimistic start to the year, before giving up some gains as the coronavirus emerged as a serious concern. The Fund returned 3.2% for the month, slightly underperforming the Small Ordinaries benchmark.

The performance was led by Australasian and US debt collector Credit Corp (+14.9%) which delivered a strong first half result with upgraded debt purchasing guidance. While Credit Corp is up over 50% in the last 12 months, we continue to like the medium-term expansion opportunity in the US; Charter Hall Group (+16.1%) continued its strong performance having upgraded guidance materially in December; and the global payments provider EML Payments (+15.9%) announced it had won a tender to provide its re-loadable card program to NSW Health.

Laggards included SeaLink (-10.1%) after the bushfires impacted its Kangaroo Island operations. We bought more given the diversification Transit Systems bus operations provides since it was acquired in December; Collins Foods (-4.2%) sold-off on general market volatility.

While we expect coronavirus to provide a degree of instability for financial markets, these events are generally temporary, which can provide opportunities to find oversold companies. In the coming month we have half-year results which should expose some further opportunities to reinvest our capital. We remain cautiously optimistic into 2020.

Investment Performance to January 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
Redemption Price <small>as at 31 Jan</small>	\$1.0532
NAV <small>as at 31 Jan</small>	\$21.7 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.

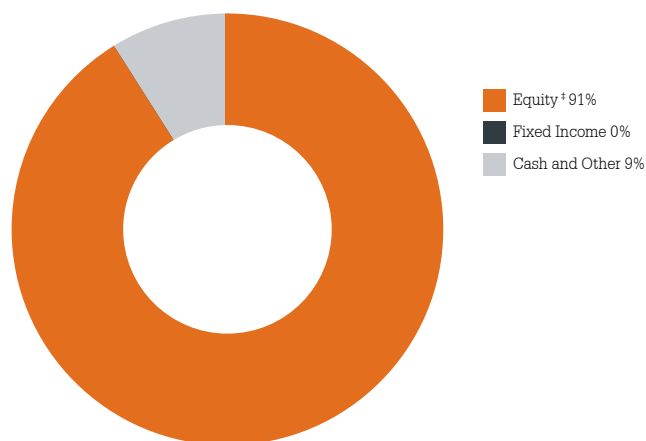
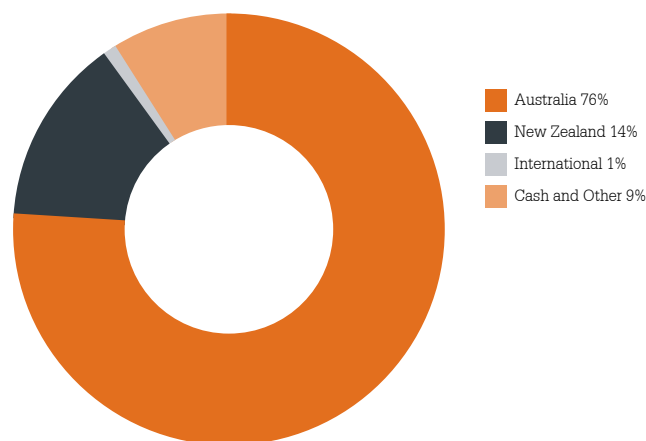
Investment Performance to January 2020*

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since Inception **
Milford Dynamic Fund (AU)	3.19%	-	-	-	-	5.64%
Benchmark	3.38%	-	-	-	-	4.16%

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 Fund is 1 October 2019

Current Asset Allocation¹Current Country Allocation^{†1}

Top Security Holdings

Holdings	% of Fund's NAV
Credit Corp Group	4.00%
Australian Finance Group	3.28%
Bapcor	3.17%
Seven Group Holdings	3.07%
EML Payments	2.84%
Collins Foods	2.69%
IDP Education	2.65%
EOT Holdings	2.58%
Northern Star Resources	2.51%
Evolution Mining	2.49%

Fund Changes

There have been no material changes to the below information since the last monthly report:

- The Fund's risk profile
- The Fund's strategy

There have been no changes to the below information since the PDS was issued:

- Key service providers
- Individuals playing a key role in investment

¹The actual investment mix incorporates the notional exposure value of equity derivatives and credit default swaps, where applicable.

[†]Equity will be the net amount, ie the total long less any shorts.

^{†1}Typically the country in which the company issuing the share/bond primarily operates

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