

Milford Dynamic Fund (AU)

February 2020



Portfolio Managers



William Curtayne
Portfolio Manager



Michael Higgins
Portfolio Manager

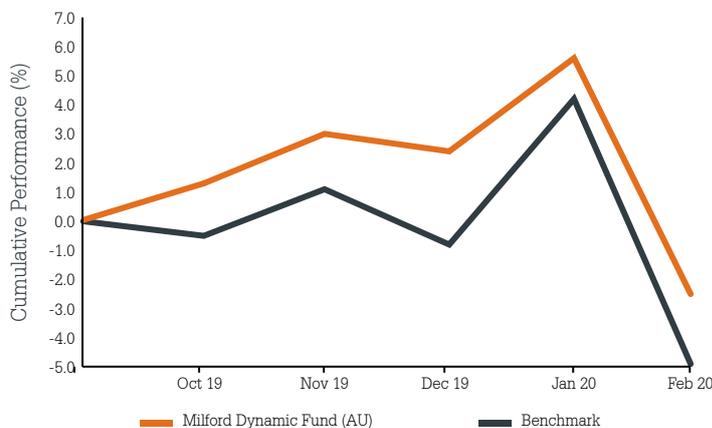
February saw big sell-offs in the Australian share market as the coronavirus spread globally. The Fund was down 7.7%, compared with the 8.7% fall in the Small Ordinaries Index.

Having concluded that there was a high probability the virus would spread globally, we moved to de-risk the Fund by selling over-valued shares and holding more cash. In addition, we diversified into companies that could benefit from the virus such as Fisher & Paykel Healthcare who manufacture respiratory support technology, and companies that remain unaffected by the virus like global patent attorney IPH.

Winners for the month included Gold miners Evolution (+11.3%) and Northern Star (+6.8%) as the Australian dollar came under pressure and the gold price rallied on increased uncertainty; infant formula company a2 Milk increased by 8.7%, solidifying its status as a premium consumer staple for families; and IDP Education was up by 19.6% after it delivered an upgrade. Underperformers included EML payments (-31.2%) which missed the markets lofty expectations. We reduced our position in AMA Group (-42.9%) reflecting increased financial risks after a poor-quality result.

We've entered March positioned cautiously with an elevated cash position of about 17%. We continue to rotate into quality companies with minimal debt, expecting that this will provide some resistance to weather further volatility.

Investment Performance to February 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 29 Feb</small>	\$0.9722
NAV <small>as at 29 Feb</small>	\$20.1 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 February 2020

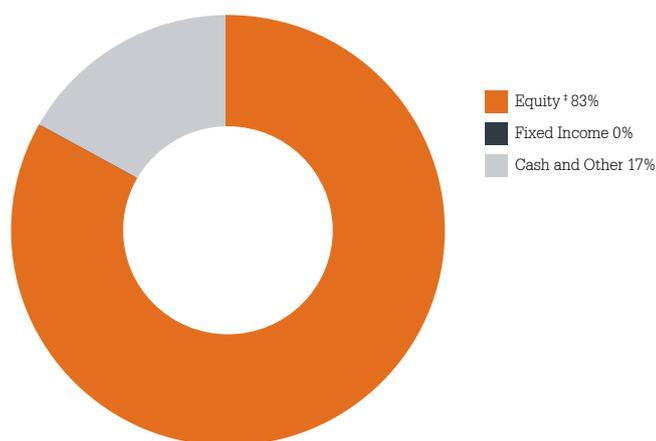
	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since Inception **
Milford Dynamic Fund (AU)	-7.69%	-	-	-	-	-2.49%
Benchmark	-8.68%	-	-	-	-	-4.88%

Past performance is not a reliable indicator of future performance.

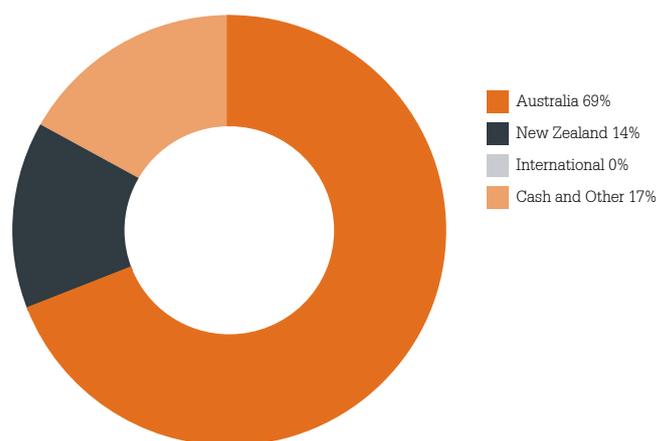
* Net performance figures are shown after all fees and expenses, and assumes reinvestment of distributions.

** Inception date of the Fund is 1 October 2019

Current Asset Allocation



Current Country Allocation



Top Security Holdings

Holdings	% of Fund's NAV
Credit Corp Group	3.68%
Collins Foods	3.18%
Bapcor	3.08%
Australian Finance Group	3.04%
Seven Group Holdings	2.87%
Evolution Mining	2.84%
Charter Hall Group	2.78%
Northern Star Resources	2.74%
EQT Holdings	2.73%
a2 Milk Company	2.73%

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

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

² Equity will be the net amount, ie the total long less any shorts.

³ Typically the country in which the company issuing the share/bond primarily operates

Milford Australia Pty Ltd ABN 65 169 262 971
 AFSL 461253 Suite 5, Level 33, MLC Centre
 19-29 Martin Place, Sydney NSW 200
 Phone 1300 133 451 milfordasset.com.au

