

Milford Dynamic Fund (AU)

October 2020



Portfolio Managers



William Curtayne
Portfolio Manager



Michael Higgins
Portfolio Manager

The Dynamic Fund returned 2.1% in October, outperforming the S&P/ASX Small Ordinaries Index benchmark by 1.6%. The first two weeks of October saw the benchmark reach an intra-month high of 6.3% before giving back almost all of these gains as global uncertainties dragged on confidence.

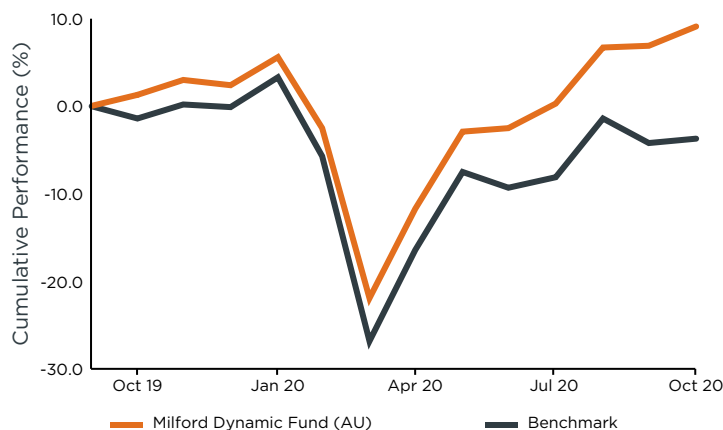
Our decision to favour defensive businesses like HUB24 (+24.2%), Bapcor (+12.8%), Fisher & Paykel Healthcare (+5.2%) and SeaLink (+5.2%) provided resilience as they all rallied. HUB24 continued its stellar performance and is now up 230% from the March 2020 lows. Management announced three acquisitions which not only builds scale, but solidifies their future as one of the winners from the migration away from the major banks and AMP. Given the strong performance we have taken some profits over the month. Fisher & Paykel Healthcare rallied on a COVID-19 case explosion across Europe and North America. Clinical best practice for COVID-19 has evolved from invasive incubation to Fisher & Paykel's primary Nasal High Flow Therapy.

Detractors included payments provider IPH (-8.2%) and Megaport (-16.3%). We retain a positive view on both companies.

It is hard to recall a busier period for new IPOs. The window looks to have well and truly reopened at an earlier stage than in previous recoveries as investors hunt for growth in a low interest rate environment and vendors look for attractive valuations. We typically approach IPOs cautiously given the high level of information asymmetry between current owners and potential investors. That said, over the month we participated in portable respirator manufacturer CleanSpace Technologies (+56.5%) and Australians #1 online beauty store Adore Beauty (-15.6%).

We enter the final quarter of the year with a balanced portfolio given the wide array of outcomes which will largely determine the direction of equity markets. These events include fiscal stimulus packages, developments on vaccines and the outcome of the US presidential election.

Investment Performance to October 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 31 Oct	\$1.088
NAV as at 31 Oct	\$23.3 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.

Milford Dynamic Fund (AU) October 2020

Investment Performance to October 2020*

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (AU)	2.09%	23.62%	7.71%	-	-	-
Milford Dynamic Fund (Strategy) ***	2.09%	23.62%	7.71%	11.12%	11.24%	12.10%
Benchmark	0.46%	15.10%	-2.40%	4.63%	8.56%	6.24%
Over/Underperformance	1.63%	8.52%	10.11%	6.49%	2.68%	5.86%

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

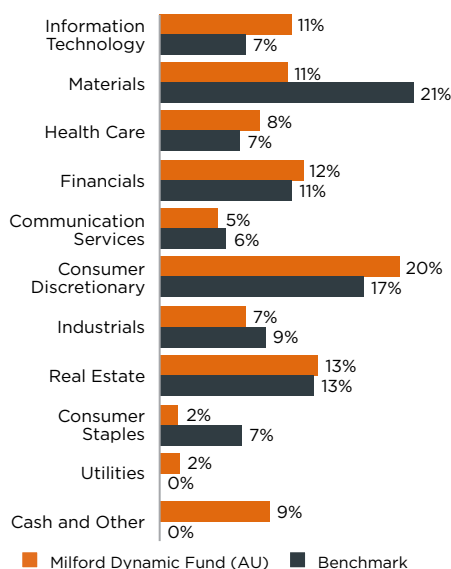
Holdings	% of Fund
Sealink Travel Group	4.48%
Fisher & Paykel Healthcare	4.24%
HUB24	4.22%
Bapcor	3.76%
Collins Foods	3.72%
EML Payments	3.02%
IPH	3.01%
Seven Group Holdings	3.01%
Evolution Mining	2.99%
CSR	2.76%

Current Asset Allocation

	Actual	Neutral	Maximum Range
Australian Equities	86.23%	90%	80-100%
New Zealand Equities	4.60%	0%	0-20%
Cash and Other #	9.17%	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.