

# Milford Dynamic Fund (AU)

## November 2020



### Portfolio Managers



**William Curtayne**  
Portfolio Manager



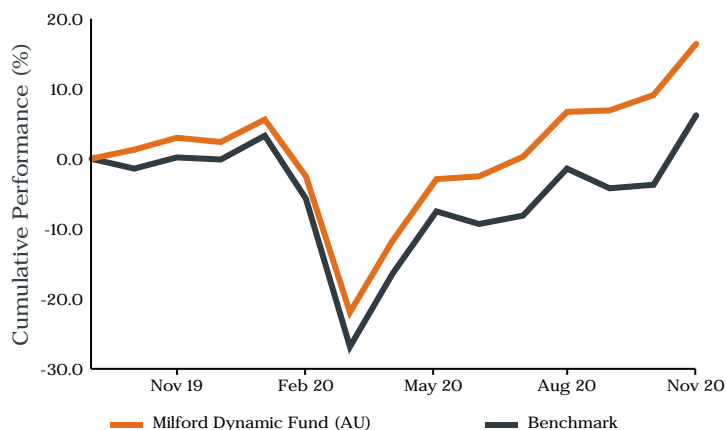
**Michael Higgins**  
Portfolio Manager

Small capitalisation companies rallied strongly as the market gained confidence following promising vaccine news combined with favourable policy conditions. The Fund returned 6.0% for the month which lagged the ASX/ S&P Small Ordinaries benchmark return of 10.2%.

Over the month we saw a rotation away from the winners from prior months into the laggards, so we were very pleased with our strong absolute performance. Performance was led by Sealink (+21.9%), video equipment manufacturer Atomos (58.3%) and payments provider EML Payments (+23.9%). Sealinks Marine and Tourism segment is exposed to in-demand island tourist destinations such as Rottnest, Magnet and Fraser Islands. Both anecdotal and industry feedback suggests that tourism volumes have been strengthening despite international borders remaining closed. Detractors included gold companies Evolution (-10.3%) and Saracen (-16.5%) as the vaccine developments changed investors risk appetite.

A potential vaccine also reduces the tail risk of a severe economic outcome, we therefore took the opportunity to trim some of our gold exposures. We continue to adapt the portfolio by increasing our exposure to recovery stocks where relative value lies in the market. Our target is to achieve a better balance given the broad array of economic uncertainties and scenarios in the months ahead.

### Investment Performance to November 2020\*



\* Cumulative performance since inception, after all fees and expenses, and assumes reinvestment of distributions.

### Key Fund Facts

<b>Objective</b>	The fund targets outperformance of the S&P/ASX Small Ordinaries (TR) Index
<b>Description</b>	Primarily invests in small to mid-cap Australian equities
<b>Benchmark</b>	S&P/ASX Small Ordinaries (TR) Index
<b>APIR</b>	ETL6978AU
<b>mFund Code</b>	MFA02
<b>Redemption Price as at 30 Nov</b>	\$1.1606
<b>NAV as at 30 Nov</b>	\$24.8 Million
<b>Inception Date</b>	October 2019
<b>Minimum Investment</b>	\$20,000
<b>Recommended Investment Timeframe</b>	5 years +
<b>Buy-sell Spread</b>	+/-0.30%
<b>Entry/Exit Fee</b>	Nil
<b>Distribution Frequency</b>	Annual (30 June)
<b>Management Fee*</b>	1.10%
<b>Capped Expense Recovery*</b>	0.10%
<b>Performance Fee*</b>	20% p.a. of returns above the benchmark subject to achieving the high watermark.
<b>Fund Pricing</b>	Daily

\* Fees are stated exclusive of GST.

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## Investment Performance to November 2020\*

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)**
Milford Dynamic Fund (AU)	6.67%	19.85%	13.04%	-	-	-
Milford Dynamic Fund (Strategy)***	6.67%	19.85%	13.04%	12.76%	13.05%	12.97%
Benchmark	10.27%	14.78%	5.98%	6.73%	10.70%	7.62%
Over/Underperformance	-3.60%	5.07%	7.06%	6.03%	2.35%	5.35%

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

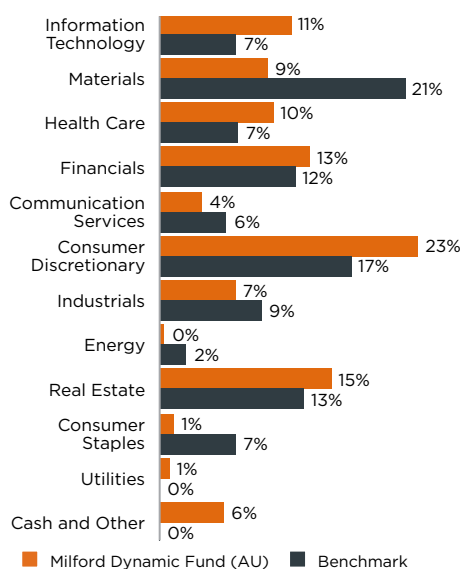
Holdings	% of Fund
Sealink Travel Group	4.54%
Fisher & Paykel Healthcare	4.31%
EML Payments	3.52%
Collins Foods	3.48%
Seven Group Holdings	3.14%
Bapcor	3.11%
CSR	2.99%
Lifestyle Communities	2.96%
IPH	2.86%
EQT Holdings	2.78%

## Current Asset Allocation

	Actual	Neutral	Maximum Range
Australian Equities	91.50%	90%	80-100%
New Zealand Equities	2.91%	0%	0-20%
Cash and Other #	5.59%	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.