

# Milford Dynamic Fund (AU)

April 2021



## Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Michael Higgins**  
Portfolio Manager

The Dynamic Fund returned 6.4% in April, outperforming the S&P/ASX Small Ordinaries benchmark by 1.5%. The market was largely driven by the technology and materials sectors, with energy and consumer discretionary lagging.

Performance was led by a broad array of businesses which highlights our style neutral investment approach. Investment platform HUB24 (+21.8%) performed strongly after delivering impressive quarterly flow of \$1.9bn, up 41% on prior comparable period. Strong flows strengthen our view that HUB24 is a structural winner as financial advisors migrate away from the major banks and AMP, towards more nimble independent firms which are more likely to use HUB24.

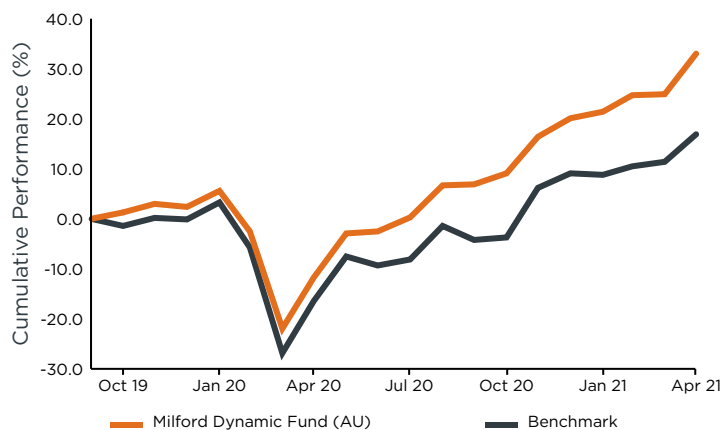
Youth apparel retailer Universal Store (+26.6%) delivered strong same store sales growth of 28% on prior comparable period. Universal is our preferred consumer discretionary company given its i) strong management, ii) early-stage national rollout, iii) strong customer proposition and iv) valuation discount to competitors like Accent Group.

Other winners include diversified miner IGO, which rallied 19.3% as it finalises the acquisition of the world's largest and lowest cost hard rock lithium mine in the world. Lithium is a critical component in battery storage. The take up of electric vehicles is the key demand driver and there is growing evidence that this is once again accelerating in China and Europe.

Most notable detractors include Seven Group (-4.5%) which raised capital to pay down debt and fund future investment opportunities. Seven group and more specifically WesTrac is our favoured mining services exposure and we think still represents excellent value.

As we have mentioned in prior months, we have been positioning the portfolio towards companies which will benefit from the reopening of the domestic economy. It is this area of the market where we can still identify relative value.

## Investment Performance to April 2021\*



\* 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 over rolling five-year periods
<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 Apr</b>	\$1.3256
<b>NAV as at 30 Apr</b>	\$30.2 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 water mark.
<b>Fund Pricing</b>	Daily

\*Fees are stated exclusive of GST.

## Investment Performance to April 2021\*

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)**
Milford Dynamic Fund (AU)	6.43%	21.84%	50.62%	-	-	-
Milford Dynamic Fund (Strategy)***	6.43%	21.84%	50.62%	16.74%	15.25%	14.20%
Benchmark	4.98%	21.44%	39.78%	9.10%	11.10%	8.57%
Over/Underperformance	1.45%	0.40%	10.84%	7.64%	4.16%	5.63%

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 01 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

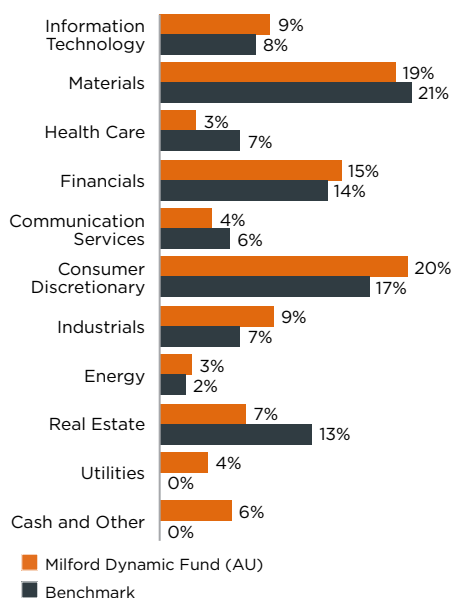
Holdings	% of Fund
Collins Foods	4.65%
Seven Group	4.11%
Contact Energy	3.94%
Sealink Travel	3.88%
EML Payments	3.60%
Virgin Money	3.47%
IGO	3.42%
Northern Star	3.36%
HUB24	3.34%
Evolution Mining	2.96%

## Current Asset Allocation

	Actual	Neutral	Maximum Range
Australian Equities	89.27%	90%	80-100%
New Zealand Equities	4.86%	0%	0-20%
Cash and Other#	5.87%	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.

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