

# Milford Dynamic Small Companies Fund

January 2024



## Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Michael Higgins**  
Portfolio Manager



**Roland Houghton**  
Co-Portfolio Manager

The Fund returned 1.4% for the month, ahead of the S&P/ASX Small Ordinaries benchmark return of 0.9%. The market took pause after digesting a fierce 14% rally over the past two months of 2023. Reporting season will be the focus over the next month, and we await the inevitable opportunities that will present themselves.

In what was a relatively quieter month, given the blackout period, performance was led by prospective South Australian uranium miner Boss Energy (+38.2%). Recent strong performance reflects the rapidly improving sentiment towards nuclear energy. The market continues to tighten and the view on uranium as a reliable, low carbon energy source is being adopted globally.

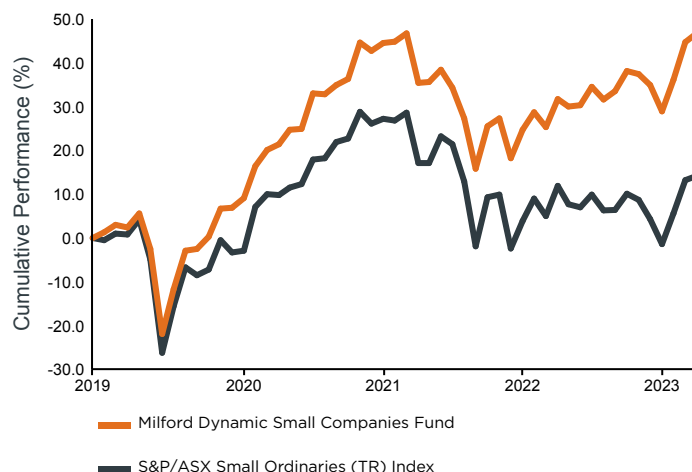
Radiopharmaceutical company Telix (+14.1%) rallied following a trading update. Telix's drug Illucix delivered growth in line with expectations and took market share. Beyond this, the main upside driver for the shares will be the likely US approval and launch of TLX-250x in the second half. We believe adoption should be high by clinicians in the diagnosis of kidney cancer.

Salary packaging company Smartgroup's (+11.4%) share price strength continued after announcing the South Australian government contract for salary packaging and novated leasing. Given attractive government incentives, Smartgroup is a beneficiary of EV adoption, and will likely be buoyed by the recent increase in new car deliveries.

Laggards included gold miner Evolution Mining (-18.9%) following a quarterly downgrade, and mining service company Monadelphous (-6.7%) on nervousness around lithium project delays. The share price weakness in Monadelphous has created an attractive entry point.

The recent volatility has created an investing environment ideal to our very active approach to investing. We suspect 2024 will yet again be another volatile year, as the highly contentious soft-landing vs hard-landing debate gains steam. While we think expectations of early rate cuts in Australia may prove premature, as we progress through the year towards our first rate cut, any economic weakness could be looked through. Our invested position has increased more recently, which aligns with our more constructive view on equity markets. Our style neutral investment approach allows us to take advantage of stock picking opportunities in companies we believe can perform despite uncertain conditions.

## Investment Performance to January 2024<sup>1</sup>



## Key Fund Facts

Objective	The fund targets outperformance of the S&P/ASX Small Ordinaries (TR) Index over the minimum recommended investment timeframe (net of fees)
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 Jan	\$1.2408
Fund Size*	\$88 Million
Inception Date	October 2019
Minimum Investment	\$1,000
Recommended Investment Timeframe	8 years +
Buy-sell Spread	+/-0.30%
Entry/Exit Fee	Nil
Management Fee	1.23%
Performance Fee	20.5% p.a. of returns above the benchmark subject to achieving the high watermark.
Fund Pricing	Daily
Distribution Frequency	Biannual

\*The Fund Size represents the total assets of the fund

## Milford Dynamic Small Companies Fund January 2024

### Investment Performance to January 2024 <sup>2</sup>

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.) <sup>3</sup>
Milford Dynamic Small Companies Fund	1.41%	6.28%	11.41%	6.54%	-	-
Milford Dynamic Fund (Strategy) <sup>4</sup>	1.41%	6.28%	11.41%	6.54%	11.94%	11.29%
Benchmark	0.90%	3.70%	2.10%	1.34%	5.44%	5.88%
Over/Underperformance	0.51%	2.58%	9.31%	5.20%	6.50%	5.41%

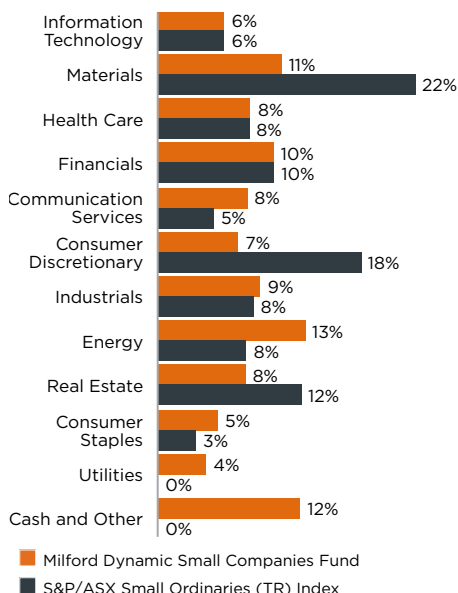
### Top Security Holdings

Holdings	% of Fund
Viva Energy Group	4.62%
Costa Group	3.22%
Carsales.Com	3.09%
Contact Energy	2.93%
Neuren Pharmaceuticals	2.78%
Waypoint REIT	2.63%
Beach Energy	2.57%
Monadelphous	2.34%
Collins Foods	2.31%
Macquarie Technology	2.21%

### Current Asset Allocation

	Actual	Neutral	Maximum Range
Australian Equities	82.58%	90%	60-100%
New Zealand Equities	5.05%	0%	0-20%
Cash and Other <sup>5</sup>	12.37%	10%	0-20%

### Sector Allocation



### Ratings



**Morningstar Medalist Rating™**  
 As at 31-08-2023  
 Analyst-Driven % 55  
 Data Coverage % 98

### 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 last monthly report.

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### Platform Availability

Asgard, BT Panorama, HUB24, IOOF, Macquarie Wrap, Mason Stevens, mFund, MLC, MyNorth, Netwealth, PowerWrap, Praemium, Xplore Wealth Ltd, CFS FirstWrap

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1. Cumulative performance since inception, after all fees and expenses, and assumes reinvestment of distributions. 2. Past performance is not a reliable indicator of future performance. Returns greater than one year are annualised. 3. Inception date of the Milford Dynamic Fund (Strategy) is 01 October 2013. 4. 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 Small Companies Fund 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 Small Companies Fund. 5. Cash and Other reported above is adjusted to reflect the Fund's notional positions.

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Milford Dynamic Small Companies Fund's Target Market Determination is available at <https://milfordasset.com.au/documents-and-forms>. The Target Market Determination is a document describing who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.

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The Morningstar Medalist Rating™ for Milford Dynamic Small Companies Fund is "Gold" as of 31/08/2023.

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