

# Milford Dynamic Small Companies Fund

## December 2024



### Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Michael Higgins**  
Portfolio Manager



**Roland Houghton**  
Co-Portfolio Manager

The Fund fell 3.4% for the month underperforming the S&P/ASX Small Ordinaries benchmark which fell 3.1%. Higher bond yields shocked global equity markets, with the US 10-year reaching the highest levels since May-24.

We were pleased to pass our five-year performance anniversary for the Fund, having delivered a cumulative 63.1% return since inception in October 2019 against the benchmark return of 22.7%. The underlying Dynamic strategy since inception over 11 years ago, has returned 11.4% p.a. against the benchmark returns of 6.1% p.a.

Key performers for the month were Tuas (+14.0%), Universal Store (+10.0%) and Australian Ethical (investment management company, +6.5%).

Tuas, a Singaporean telecommunications provider, rallied on the back of a strong AGM update showing promising signs in their recently launched broadband product and continued momentum in their core mobile business. They have been highly successful in disrupting the mobile market in Singapore where they now have 11% market share and now have over 10,000 broadband subscribers only a few months post launch.

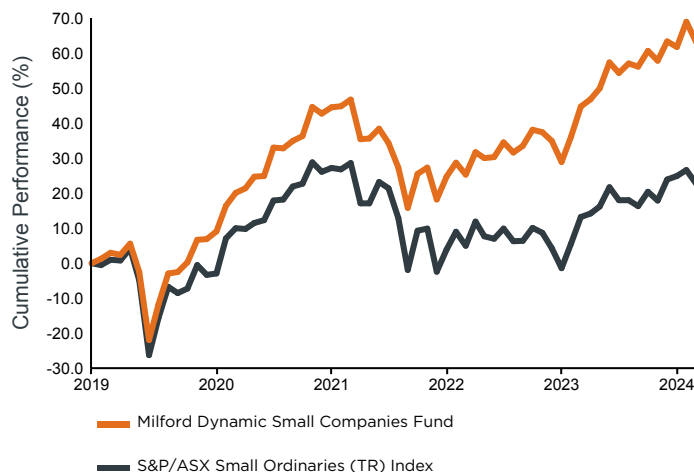
Universal Store, an Australian youth apparel operator rallied strongly as they continue to execute extremely well, taking share from key competitors Glu and General Pants.

Digital marketplace, CAR Group (-13.2%) fell alongside other high quality growth names albeit this was exacerbated by some concerns around their US business and rate hikes in Brazil. The US RV market is likely troughing and there remains material upside leverage when conditions improve. Brazil remains in structural growth with a range of levers to offset cyclical weakness. Other detractors were vehicle leasing business FleetPartners (-15.1%) which fell on no new news and remains good value.

2024 proved to be the year of the soft or no landing, geopolitical tensions generally intensified, and the AI thematic continued to charge forward. While we maintain a broadly positive long-term outlook for the Australian economy and markets, we acknowledge that near-term risks, including extreme valuations and concentrated market positions, could pose challenges in 2025. We continue to watch for a healthy broadening out of markets in 2025, with many cyclical stocks presenting attractive opportunities. We will continue to be active, looking to deploy into compelling opportunities and take profits where appropriate.

### Cumulative Performance (after fees and expenses)

31 December 2024



Performance since inception and assumes reinvestment of distributions. Past performance is not a reliable indicator of future performance.

### Key Fund Facts

<b>Objective</b>	The fund targets outperformance of the S&P/ASX Small Ordinaries (TR) Index over the minimum recommended investment timeframe (net of fees)
<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 31 Dec</b>	\$1.2931
<b>Fund Size*</b>	\$130.7 Million
<b>Inception Date</b>	October 2019
<b>Minimum Investment</b>	\$1,000
<b>Recommended Investment Timeframe</b>	8 years +
<b>Buy-sell Spread</b>	+/-0.30%
<b>Entry/Exit Fee</b>	Nil
<b>Management Fee</b>	1.23%
<b>Performance Fee</b>	20.5% p.a. of returns above the benchmark subject to achieving the high watermark.
<b>Fund Pricing</b>	Daily
<b>Distribution Frequency</b>	Biannual

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

# Milford Dynamic Small Companies Fund as at 31 December 2024

## Investment Performance to 31 December 2024

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.) <sup>1</sup>
Milford Dynamic Small Companies Fund	-3.44%	-0.15%	12.67%	3.57%	9.75%	-
Milford Dynamic Fund (Strategy) <sup>2</sup>	-3.44%	-0.15%	12.67%	3.57%	9.75%	11.36%
Benchmark	-3.07%	-1.01%	8.36%	-1.57%	4.01%	6.06%
Excess Return	-0.37%	0.86%	4.31%	5.14%	5.74%	5.30%

Past performance is not a reliable indicator of future performance. Returns greater than one year are annualised.

## Top Security Holdings

Holdings	% of Fund
Contact Energy	3.65%
Life360	3.40%
Carsales.Com	3.14%
Superloop	2.19%
Ridley Corporation	2.19%
Tuas	2.16%
Sigma Healthcare	1.98%
Regis Healthcare	1.93%
FleetPartners	1.90%
Arcadium Lithium	1.90%

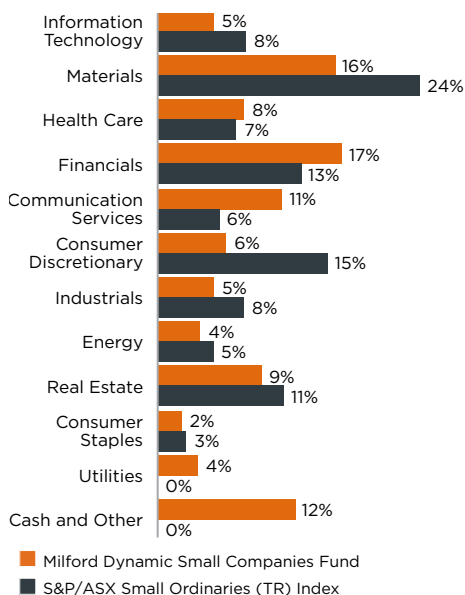
## Current Asset Allocation

	Actual	Neutral	Maximum Range
Australian Equities	79.42%	90%	60-100%
New Zealand Equities	8.15%	0%	0-20%
Cash and Other	12.43%	10%	0-20%

## Ratings



## Sector Allocation



**Morningstar Medalist Rating™**  
As at 31-10-2024  
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.



## Milford Dynamic Small Companies Fund as at 31 December 2024

### Platform Availability

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

1. Inception date of the Milford Dynamic Fund (NZ) is 01 October 2013. 2. 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.

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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 31/10/2024.

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