

Milford Dynamic Small Companies Fund

May 2026



Portfolio Managers



William Curtayne
Portfolio Manager



Michael Higgins
Portfolio Manager



Roland Houghton
Co-Portfolio Manager

The Fund returned 1.1% in May, underperforming the S&P/ASX Small Ordinaries Index, which rose 2.0%. Beneath the headline performance, market leadership remained narrow, masking elevated volatility across both sectors and individual stocks.

Compute network and storage provider Megaport (+69.4%) was the standout contributor following contract wins within its recently acquired Latitude business. Global Compute-as-a-Service (CaaS) provider Latitude provides high-performance compute solutions into an exceptionally tight market for high-bandwidth memory and AI infrastructure. The acquisition broadens Megaport's exposure beyond network connectivity and positions the business to benefit from accelerating demand for compute-intensive workloads.

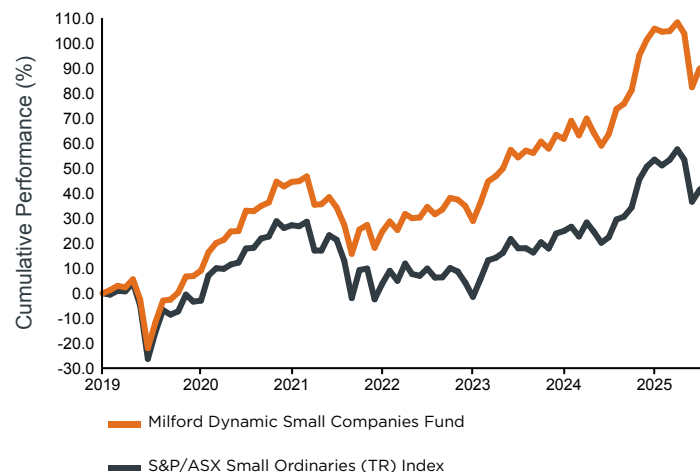
Metals mining company Capstone Copper (+30.0%) also performed strongly. Copper remains one of our preferred long-term commodity exposures given its critical role in electrification, grid investment and data centre infrastructure. We continue to view Capstone as an attractive way to gain exposure to a tightening copper market through a diversified portfolio of long-life assets.

Metal recycler Sims Group (+29.7%) rallied following improving sentiment towards its Sims Lifecycle division. The rapid expansion of data centres and artificial intelligence infrastructure is accelerating turnover of IT hardware, creating a growing opportunity for asset recovery and redeployment. We continue to see structural tailwinds supporting this segment over the medium-term.

Detractors included Singapore telecommunications provider Tuas (-65.0%), which shocked the market with potential regulatory concerns. While there remain many unknowns regarding the ultimate outcome, the market is currently assigning a high probability to licence cancellation - we suspect this is too pessimistic.

While the US economy continues to benefit from unprecedented AI-related capital investment and a position of relative global energy advantage, Australia faces a more nuanced backdrop. Inflation remains stubborn, household confidence subdued and interest rates restrictive. Against this backdrop, we continue to favour businesses leveraged to capital expenditure over consumer spending. Increasingly, our focus is on HALO businesses (Hard Assets with Low Obsolescence). We continue to find attractive opportunities across critical materials, industrial services, energy infrastructure and the networks required to support future economic growth. While we remain deliberately diversified, these structural themes are increasingly influencing where we allocate capital and where we see the most compelling risk-adjusted returns.

Cumulative Performance (after fees and expenses) 31 May 2026



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

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
Redemption Price as at 31 May	\$1.4233
Fund Size*	\$342.2 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 as at 31 May 2026

Investment Performance to 31 May 2026

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Small Companies Fund	1.13%	-5.89%	10.46%	13.36%	7.63%	10.26%
S&P/ASX Small Ordinaries (TR) Index	2.03%	-6.13%	11.25%	10.64%	4.03%	5.63%
Excess Return	-0.90%	0.24%	-0.79%	2.72%	3.60%	4.63%

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

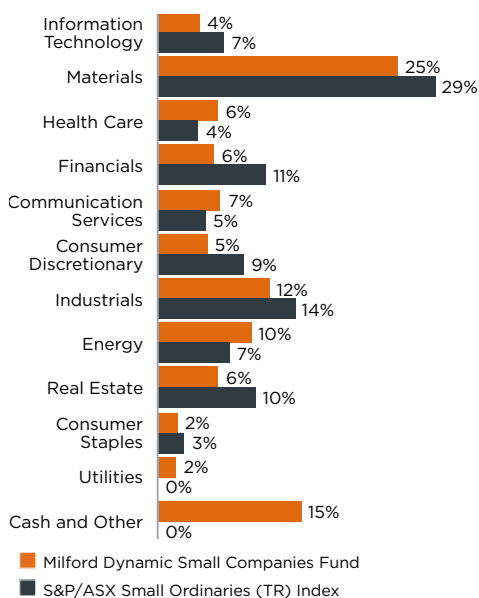
Top Security Holdings

Holdings	% of Fund
Dalrymple Bay Infrastructure	2.74%
Nexgen Energy	2.27%
Capstone Copper	2.25%
Sigma Healthcare	2.21%
Bluescope Steel	2.19%
Sims	2.16%
Megaport	2.07%
Ridley	2.05%
Capricorn Metals	2.01%
Breville Group	2.01%

Current Asset Allocation

	Actual	Neutral	Maximum Range
Australian Equities	79.47%	90%	60-100%
New Zealand Equities	5.56%	0%	0-20%
Cash and Other	14.97%	10%	0-20%

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 last monthly report.



Milford Dynamic Small Companies Fund as at 31 May 2026

Platform Availability

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

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