

# Milford Dynamic Fund (AU)

## November 2021

### Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Michael Higgins**  
Portfolio Manager

The Dynamic Fund returned 0.2% in November, ahead of the S&P/ASX Small Ordinaries benchmark which ended down 0.3%. We were pleased with the result given the volatile end to the month.

Performance was led by EML Payments (+22.0%) which rallied following a more optimistic update from the Irish regulator. The update essentially removed the near-term regulatory overhang which has been in place for a number of months. EML can now launch new higher margin programs at the expense of legacy lower margin programs before growth limitations are removed in 12 months.

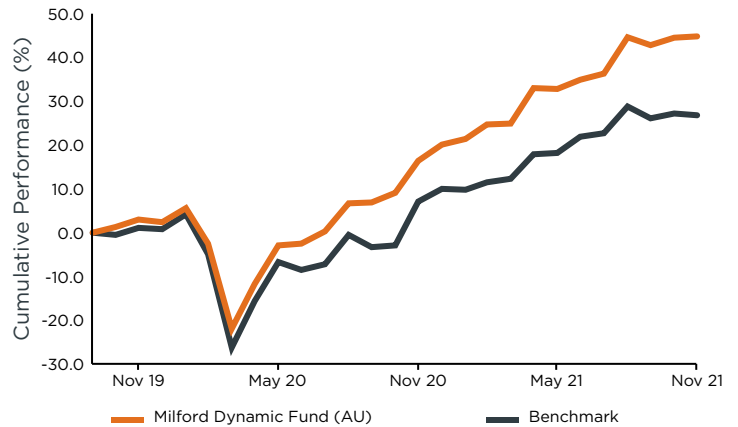
KFC restaurant owner Collins Foods (+10.2%) rallied following the release of its first half earnings. Australian restaurants were resilient with very strong same store sales compared to the prior period and European restaurants rebounded strongly following reopening. The Netherlands continues to look a promising market for Collins and offers considerable medium term growth opportunities.

Investment platform Praemium (+18.4%) received an opportunistic takeover offer by fellow platform Netwealth. As a shareholder of both companies, we believe the proposed business combination holds a lot of merit, however await a more appealing offer which better reflects the strategic value of Praemium.

Exposures which detracted from performance were UK bank Virgin Money (-14.2%) and DGL (-18.3%). Virgin Money delivered a poor cost outlook at their result and DGL let off some steam after an incredible run since IPO.

As we approach the end of the year, global risks continue to escalate. The two most notable additions have been the arrival of the Omicron Covid variant and the Federal Reserve's acknowledgement that inflation is no longer transitory. We've entered December positioned conservatively, believing better opportunities to deploy capital on the long side will present themselves in the coming months ahead.

### Investment Performance to November 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 Nov</b>	\$1.3561
<b>NAV as at 30 Nov</b>	\$40.6 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>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
<b>Distribution Frequency</b>	Annual (30 June)

\*Fees are stated exclusive of GST.

# Milford Dynamic Fund (AU) November 2021

## Investment Performance to November 2021\*

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)****
Milford Dynamic Fund (AU)	0.23%	9.08%	24.39%	-	-	-
Milford Dynamic Fund (Strategy) ***	0.23%	9.08%	24.39%	20.15%	15.87%	14.30%
Benchmark	-0.31%	7.27%	18.44%	13.54%	11.65%	8.89%
Over/Underperformance	0.54%	1.81%	5.95%	6.61%	4.22%	5.41%

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

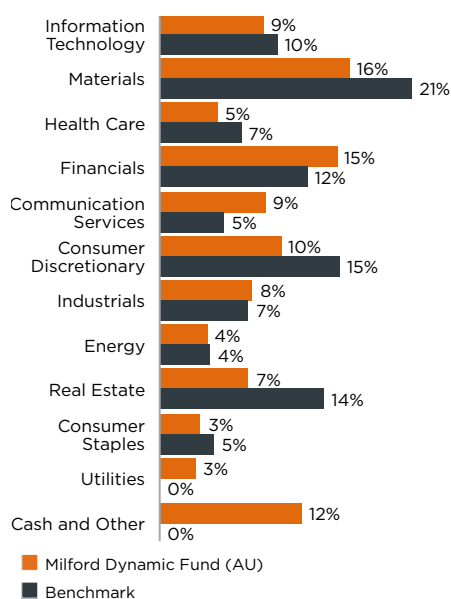
Holdings	% of Fund
Collins Foods	4.17%
Credit Corp	3.52%
IPH	3.20%
Evolution Mining	3.10%
Carsales.Com	3.04%
Seven Group	2.97%
Contact Energy	2.96%
Lifestyle Communities	2.68%
Northern Star	2.65%
Metcash	2.51%

## Current Asset Allocation

	Actual	Neutral	Maximum Range
Australian Equities	83.62%	90%	80-100%
New Zealand Equities	4.53%	0%	0-20%
Cash and Other #	11.85%	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 last monthly report.

Disclaimer: Equity Trustees Limited (“Equity Trustees”) (ABN 46 004 031 298), AFSL 240975, is the responsible Entity for the Milford Dynamic Fund (AU). Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). This Monthly Fact Sheet has been prepared by Milford Australia Pty Ltd. as the Investment Manager, to provide you with general information only. In preparing this Monthly Fact Sheet, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Milford Australia Pty Ltd., Equity Trustees nor any of their related parties, employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance is not a reliable indicator of future performance. You should obtain a copy of the Product Disclosure Statement before making a decision about whether to invest in this product.

Milford Dynamic Fund (AU)’s Target Market Determination is available at <https://milfordasset.com.au/forms-documents.au>. 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.

ZENITH DISCLAIMER: The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) (“Zenith”) rating (assigned February/2021) referred to in this document is limited to “General Advice” (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith’s methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at <http://www.zenithpartners.com.au/RegulatoryGuidelines>

LONSEC DISCLAIMER: The rating issued 10/2021 is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit [lonsec.com.au](http://lonsec.com.au) for ratings information and to access the full report. © 2020 Lonsec. All rights reserved.