

# Milford Dynamic Fund (AU)

## April 2022

### Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Michael Higgins**  
Portfolio Manager

The Dynamic Fund fell 2.9% in April, underperforming the S&P Small Ordinaries benchmark which fell 1.5%. Overall, our defensive positioning helped offset some stock specific news amongst our 'reopening beneficiary' companies which dragged on performance.

During the month supermarkets performed well, led by independent supermarket and hardware retailer Metcash (+5.5%). Coles (+4.4%) posted a solid 3<sup>rd</sup> quarter with top-line growth supported by food inflation. Importantly for Metcash, the commentary suggested neighbourhood centres performed stronger than shopping mall/CBD located stores. Also, Easter trading was robust particularly in 'resort stores' where Metcash's IGA stores generally over index.

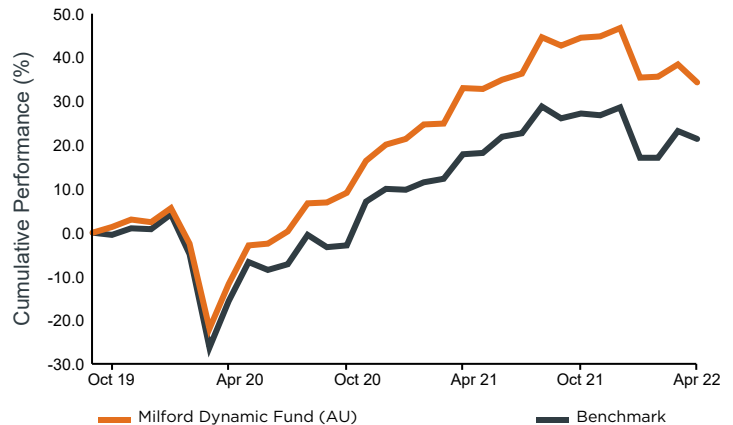
Fuel retailer Viva Energy Group (+19.6%) provided an operational update which indicated total volumes had rebounded nicely in line with the domestic reopening. Global refining margins are also improving reflecting the recovery in global fuel demand allowing better profits in their Geelong refinery after several tough years. The new Government support measures should ensure the refinery can avoid a lot of negative earnings in the future.

Corporate Travel Management (+10.5%) rallied on renewed optimism for the return of international travel. US mobility data continues to be encouraging with total transaction value improving momentum to 70-80% of pre Covid travel.

Detractors included digital payments provider EML Payments (-46.8%) which was severely sold-off on news that the Irish regulator is being highly restrictive to growth aspirations. Gold miner Silver Lake Resources (-13.5%) disappointed on softer production guidance and Covid related labour issues and supply chain interruptions.

With an elevated cash position and general defensive positioning, we are well positioned for a continued volatile environment. We own very few high valuation multiple companies which are casualties of tight liquidity. We also own few speculative commodity explorers which are many years away from production but trade on excessive optimism. Instead, we favour miners in production, those companies that benefit from the reopening or companies with strong pricing power and an ability to pass on costs.

### Investment Performance to April 2022\*



\* 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 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 30 Apr</b>	\$1.2571
<b>NAV as at 30 Apr</b>	\$42.7 Million
<b>Inception Date</b>	October 2019
<b>Minimum Investment</b>	\$20,000
<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>	20.50% p.a. of returns above the benchmark subject to achieving the high watermark.
<b>Fund Pricing</b>	Daily
<b>Distribution Frequency</b>	Biannual

## Investment Performance to April 2022\*

	1 Month	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)**
Milford Dynamic Fund (AU)	-2.92%	-7.03%	1.03%	-	-	12.11%
Milford Dynamic Fund (Strategy)***	-2.92%	-7.03%	1.03%	15.38%	13.67%	12.58%
Benchmark	-1.50%	-4.61%	2.91%	7.63%	9.62%	7.89%
Over/Underperformance	-1.42%	-2.42%	-1.88%	7.75%	4.05%	4.69%

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

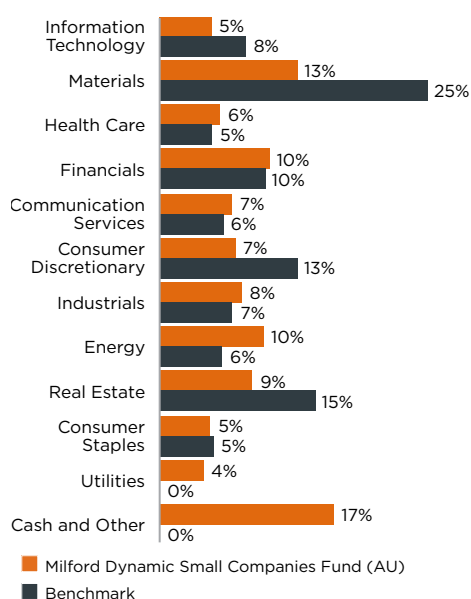
Holdings	% of Fund
Metcash	4.81%
Contact Energy	4.12%
Evolution Mining	3.60%
Collins Foods	3.45%
Seven Group	3.27%
IPH	3.19%
Viva Energy Group	3.01%
oOh!media	2.74%
EBOS Group	2.57%
Santos	2.57%

## Current Asset Allocation

	Actual	Neutral	Maximum Range
Australian Equities	79.05%	90.0%	80-100%
New Zealand Equities	4.40%	0%	0-20%
Cash and Other #	16.55%	10.0%	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.



### Platform Availability

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

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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.

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