

# Dynamic Fund

Portfolio Investment Entity

## Monthly Fact Sheet as at 31 October 2020



### Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Michael Higgins**  
Portfolio Manager

The Dynamic Fund returned 2.5% in October, outperforming the S&P/ASX Small Ordinaries Index benchmark by 2.0%. The first two weeks of October saw the benchmark reach an intra-month high of 6.3% before giving back almost all of these gains as global uncertainties dragged on confidence.

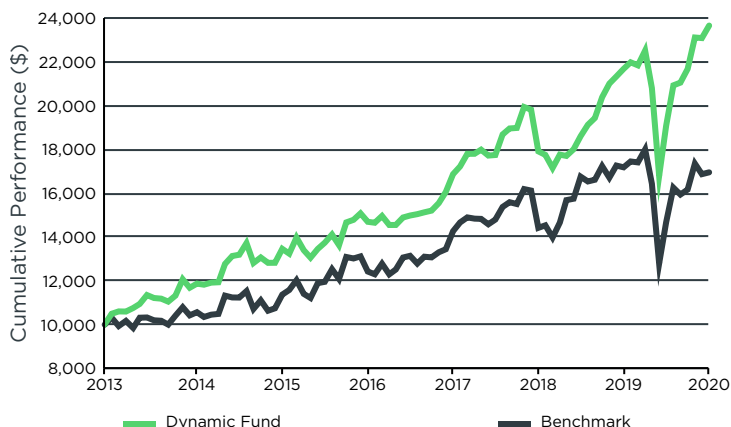
Our decision to favour defensive businesses like HUB24 (+24.2%), Bapcor (+12.8%), Fisher & Paykel Healthcare (+5.2%) and SeaLink (+5.2%) provided resilience as they all rallied. HUB24 continued its stellar performance and is now up 130% from the March 2020 lows. Management announced three acquisitions which not only builds scale, but solidifies their future as one of the winners from the migration away from the major banks and AMP. Given the strong performance we have taken some profits over the month. Fisher & Paykel Healthcare rallied on a COVID-19 case explosion across Europe and North America. Clinical best practice for COVID-19 has evolved from invasive incubation to Fisher & Paykel's primary Nasal High Flow Therapy.

Detractors included payments provider IPH (-8.2%) and Megaport (-16.3%). We retain a positive view on both companies. We enter the final quarter of the year with a balanced portfolio given the wide array of outcomes which will largely determine the direction of equity markets. These events include fiscal stimulus packages, developments on vaccines and the outcome of the US presidential election.

To view Milford's November 2020 Market and Economic Review please see [milfordasset.com/fact-sheet](http://milfordasset.com/fact-sheet).

### Cumulative Fund Performance

(after fees and before tax)



Assumes the growth of \$10,000 invested at the Fund's inception date.

### Key Fund Facts

**Objective<sup>1</sup>** Capital growth by out-performing the relevant share market index over a minimum of five years

**Description** Primarily invests in small to mid-cap Australasian equities

<b>Target Allocation</b>	10% Income Assets / 90% Growth Assets
<b>Neutral FX Exposure</b>	0%
<b>Net Asset Value (NAV)</b>	\$411.2 M
<b>Buy-sell Spread</b>	None - swing pricing applies (see PDS for details)
<b>Inception Date</b>	1 October 2013
<b>Benchmark</b>	S&P/ASX Small Ordinaries (TR) Index (100% NZD-hedged)
<b>Base Fund Fee<sup>2</sup></b>	1.35%
<b>Performance Fee</b>	15% of the Fund's returns above the Benchmark <sup>1</sup> , subject to the high watermark.
<b>Total Fund Fees<sup>3</sup></b>	1.35%



## Dynamic Fund as at 31 October 2020

### Investment Performance after fees as at 31 October 2020<sup>4</sup>

Unit Price: \$2.3381

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	2.48%	9.13%	9.12%	11.92%	11.93%	12.92%
After Tax 10.50%	2.45%	9.12%	9.15%	11.90%	11.87%	12.85%
After Tax 17.50%	2.43%	9.11%	9.17%	11.89%	11.84%	12.81%
After Tax 28.00%	2.41%	9.09%	9.19%	11.87%	11.78%	12.75%
Benchmark	0.50%	4.87%	-1.34%	5.92%	8.32%	7.74%

### Top Security Holdings

Holdings	% of Fund's NAV
Sealink Travel Group	4.38%
Fisher & Paykel Healthcare	4.16%
HUB24	4.12%
Bapcor	3.66%
Collins Foods	3.63%
EML Payments	2.95%
IPH	2.94%
Seven Group Holdings	2.94%
Evolution Mining	2.92%
CSR	2.69%

### Current Asset Allocation

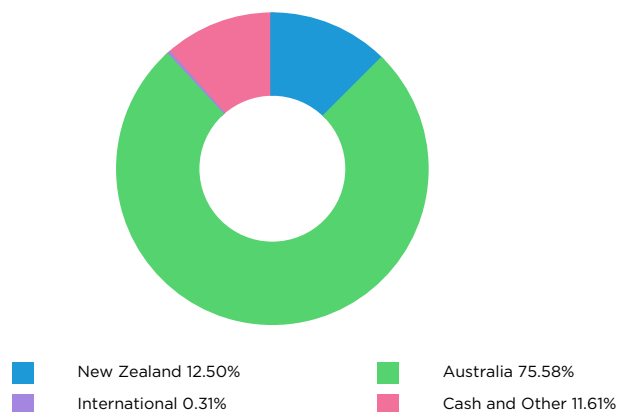
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	10.13%	10.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	12.78%	0%
Australian Equities	75.61%	90.00%
International Equities	0.00%	0%
Other	1.48%	0%

# The actual cash held by the Fund is 9.51%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

### Sector Allocation

Allocation	Weight %
Consumer Discretionary	19.66%
Real Estate	12.96%
Financials	11.72%
Cash and Other	11.61%
Materials	10.48%
Information Technology	10.48%
Health Care	8.21%
Industrials	7.02%
Communication Services	4.72%
Utilities	1.60%
Consumer Staples	1.54%

### Region Exposure



1. After the base fund fee but before tax and before the performance fee. 2. Where applicable, the Base Fund Fee includes an estimate of non-related underlying fund charges. 3. The Total Fund Fees comprise the Base Fund Fee and any estimated Performance Fee. Please refer to the Product Disclosure Statement for more information as to how these are calculated. 4. Please note past performance is not a guarantee of future returns.

Please refer to the 'Glossary for the Monthly Fact Sheet' at [milfordasset.com/fact-sheet](http://milfordasset.com/fact-sheet) for more information about the data published within this document.

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