

# Dynamic Fund

Portfolio Investment Entity

## Monthly Fact Sheet as at 31 August 2021



### Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Michael Higgins**  
Portfolio Manager

The Fund returned 6.0% in August, outperforming the S&P/ASX Small Ordinaries benchmark by 1.1%.

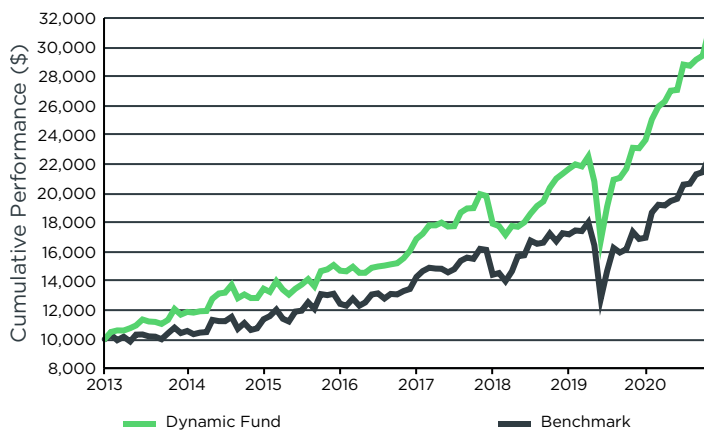
Overall, we saw strong results from companies over this reporting season, and somewhat unsurprisingly a lack of future earnings guidance. This resulted in a rather forgiving equity market. The optimism allowed us to take profits in some of our strong performing core positions and redeploy across new ideas. Performance was led by DGL (Dangerous Goods Logistics), an IPO that listed in May, which rallied ~44% following upgraded guidance. DGL is a founder-led business exposed to the logistics and storage of specialised chemicals. Lifestyle Communities (+14.9%) another founder-led business, upgraded its 3-year settlement guidance for their in-demand homes. Lifestyle is the owner and operator of affordable, independent living communities catering to the elderly, semi-retired and retired Australians.

Exposures which detracted from performance was iron ore miner Champion Iron (-22.5%) which fell with commodity prices and Seven Group (-8.6%) which disappointed with earnings guidance. After well over a hundred company meetings across the team in August, we always compile our takeaways across themes. These themes inform our positioning and provide direction into where we need to be looking for our next investment ideas to drive performance over the next 12 to 24 months.

To view Milford's September 2021 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

<b>Objective<sup>1</sup></b>	To provide capital growth by outperforming the relevant share market index over the minimum recommended investment timeframe.
<b>Description</b>	Primarily invests in small to mid-cap Australasian equities
<b>Minimum recommended investment timeframe</b>	8 years
<b>Target Allocation</b>	10% Income Assets / 90% Growth Assets
<b>Neutral FX Exposure</b>	0%
<b>Net Asset Value (NAV)</b>	\$900.2 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%
<b>Risk Indicator</b>	<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;">Lower risk</div> <div style="text-align: center;">Higher risk</div> </div> <div style="display: flex; justify-content: center; align-items: center; margin: 5px 0;"> <span style="margin: 0 10px;">1</span> <span style="margin: 0 10px;">2</span> <span style="margin: 0 10px;">3</span> <span style="margin: 0 10px;">4</span> <span style="margin: 0 10px;">5</span> <span style="margin: 0 10px; font-weight: bold;">6</span> <span style="margin: 0 10px;">7</span> </div> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;">Potentially lower returns</div> <div style="text-align: center;">Potentially higher returns</div> </div>

## Dynamic Fund as at 31 August 2021

### Investment Performance after fees as at 31 August 2021<sup>4</sup>

Unit Price: \$3.0813

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	6.03%	8.57%	34.98%	16.09%	16.10%	15.45%
After Tax 10.50%	5.99%	8.50%	34.78%	16.06%	16.05%	15.37%
After Tax 17.50%	5.97%	8.45%	34.65%	16.04%	16.02%	15.32%
After Tax 28.00%	5.93%	8.38%	34.45%	16.01%	15.96%	15.25%
Benchmark	4.93%	8.95%	29.66%	11.60%	11.56%	10.79%

### Top Security Holdings

Holdings	% of Fund
Virgin Money	4.26%
Collins Foods	4.14%
Credit Corp	3.31%
IGO	3.22%
Carsales.Com	2.99%
Lifestyle Communities	2.95%
Seven Group	2.82%
Evolution Mining	2.60%
IPH	2.49%
Contact Energy	2.47%

### Current Asset Allocation

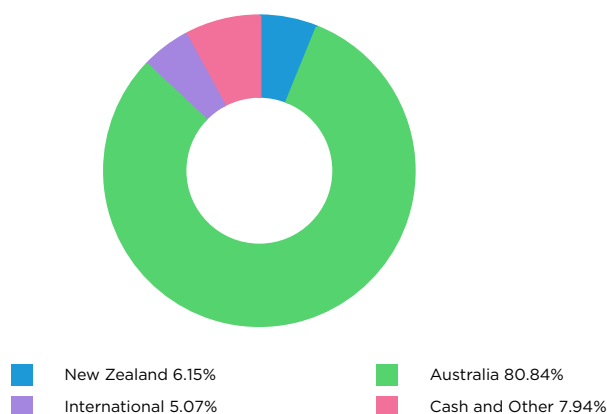
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	5.75%	10%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	7.25%	0%
Australian Equities	84.81%	90%
International Equities	0.00%	0%
Other	2.19%	0%

# The actual cash held by the Fund is 5.75%. 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 %
Financials	16.40%
Materials	15.92%
Consumer Discretionary	15.62%
Real Estate	9.87%
Communication Services	8.20%
Information Technology	7.64%
Industrials	6.66%
Health Care	6.47%
Utilities	2.47%
Energy	1.45%
Consumer Staples	1.36%
Cash and Other	7.94%

### 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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