

# Dynamic Fund

## Portfolio Investment Entity

### Monthly Fact Sheet as at 31 August 2023



## Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Michael Higgins**  
Portfolio Manager

The Fund returned -0.5% for the month, ahead of the S&P/ASX Small Ordinaries which finished down 1.2%. The benchmark delivered twice as many downgrades than upgrades, which proved tricky to navigate.

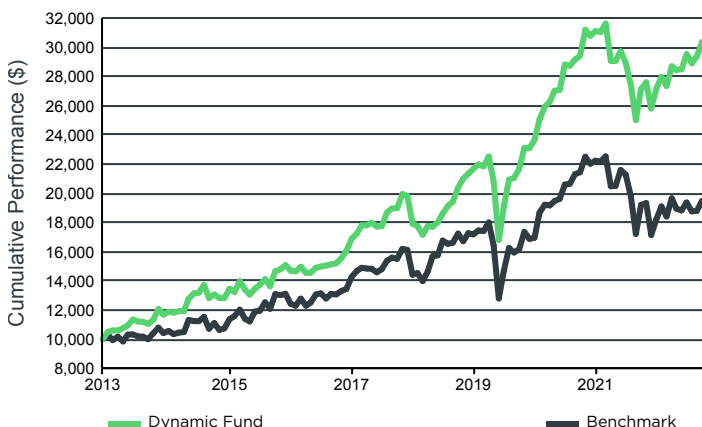
Performance was led by leading automotive marketplace Carsales (15.6%), which rallied on confidence in its international growth prospects. Boss Energy (+19.2%) rallied on the favourable supply and demand dynamic appearing in the uranium market. Monadelphous (+7.7%) continued its strong recent performance. Detractors included Iress (-38.3%) and ResMed (-24.0%). Underlying costs at Iress are rising faster than expected which means the net cost-out benefit we had hoped for is evaporating.

There was a broad degree of caution in company outlook statements and, somewhat unsurprisingly, a lack of future earnings guidance. In our view, the long lag effects of monetary policy mean that economic and behavioural impacts are still ahead of us and hard to quantify. We enter the back end of the year with a diversified portfolio given the wide array of outcomes.

To view Milford's August 2023 Market and Economic Review please see [milfordasset.com/insights](https://milfordasset.com/insights).

## 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>** To provide capital growth by out-performing the relevant share market index over the minimum recommended investment timeframe

**Description** 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>Status</b>                                   | Closed to New Investment  |
| <b>Neutral FX Exposure</b>                      | 0%  |
| <b>Net Asset Value (NAV)</b>                    | \$667.0 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> | Lower risk | 1                         | 2 | 3 | 4                          | 5 | 6 | 7 | Higher risk |
|                       |            | Potentially lower returns |   |   | Potentially higher returns |   |   |   |             |

## Dynamic Fund as at 31 August 2023

### Investment Performance after fees as at 31 August 2023<sup>4</sup>

Unit Price: \$2.9738

|  | 1 Month | 3 Months | 1 year | 3 years (p.a.) | 5 years (p.a.) | Since inception (p.a.) |
|--|---------|----------|--------|----------------|----------------|------------------------|
| Milford Dynamic Fund<br>(Gross Of Tax) | -0.52%  | 4.44%    | 9.38%  | 9.31%          | 8.65%          | 11.78%                 |
| After Tax 10.50%                       | -0.52%  | 4.45%    | 9.20%  | 9.21%          | 8.60%          | 11.71%                 |
| After Tax 17.50%                       | -0.53%  | 4.45%    | 9.07%  | 9.14%          | 8.57%          | 11.66%                 |
| After Tax 28.00%                       | -0.54%  | 4.46%    | 8.89%  | 9.03%          | 8.52%          | 11.58%                 |
| Benchmark                              | -1.20%  | 2.55%    | -0.45% | 3.50%          | 3.51%          | 6.82%                  |

### Top Security Holdings

| Holdings          | % of Fund |
|-------------------|-----------|
| Viva Energy Group | 4.17%     |
| Carsales.Com      | 3.35%     |
| Contact Energy    | 3.34%     |
| IPH               | 3.14%     |
| United Malt       | 3.02%     |
| IGO               | 3.02%     |
| Monadelphous      | 2.98%     |
| Waypoint REIT     | 2.67%     |
| Beach Energy      | 2.65%     |
| SmartPay          | 2.25%     |

### Current Asset Allocation

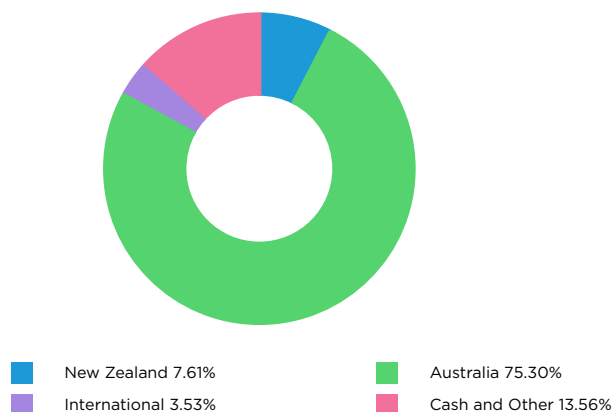
|                              | Actual Investment Mix | Neutral Investment Mix |
|------------------------------|-----------------------|------------------------|
| Effective Cash #             | 13.56%                | 10%                    |
| New Zealand Fixed Interest   | 0.00%                 | 0.0%                   |
| International Fixed Interest | 0.00%                 | 0.0%                   |
| New Zealand Equities         | 7.61%                 | 0.0%                   |
| Australian Equities          | 78.83%                | 90%                    |
| International Equities       | 0.00%                 | 0.0%                   |
| Other                        | 0.00%                 | 0.0%                   |

# The actual cash held by the Fund is 4.89%. 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 % |
|------------------------|----------|
| Industrials            | 13.29%   |
| Materials              | 11.82%   |
| Financials             | 10.03%   |
| Energy                 | 9.63%    |
| Real Estate            | 8.34%    |
| Communication Services | 8.31%    |
| Health Care            | 6.84%    |
| Utilities              | 5.66%    |
| Other Sectors          | 12.52%   |
| Cash and Other         | 13.56%   |

### 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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