

Dynamic Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 December 2020



Portfolio Managers



William Curtayne
Portfolio Manager



Michael Higgins
Portfolio Manager

After a volatile 12 months, 2020 was a strong year for the Dynamic Fund delivering a 18.7% return against the Small Ordinaries benchmark return of 10.3%. The Fund rallied by 3.5% in December outperforming the benchmark by 0.7%.

Performance was led by diversified miner IGO, which rose 37.4% following the acquisition of the world's largest and lowest cost hard rock lithium mine in the world. Lithium is a critical component in battery storage. The take up of electric vehicles is the key demand driver and there is growing evidence that this is once again accelerating in China and Europe.

Digital forensics software platform NUIX was another key contributor after rallying 55.4% from IPO. Their key clients are impressive and include Amazon, the US Department of Justice, and the SEC.

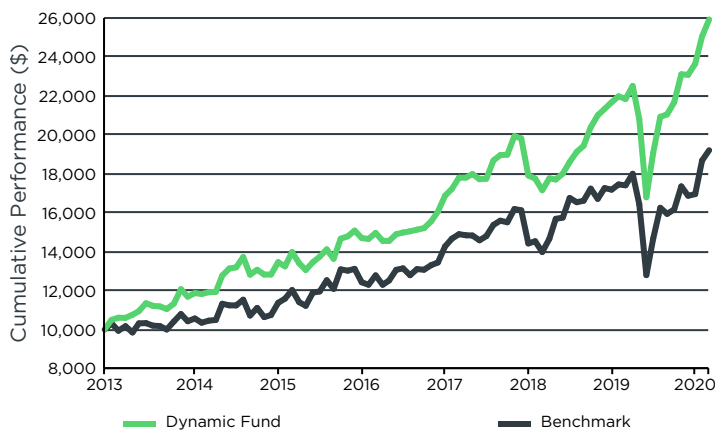
Laggards included IDP Education (-18.9%) and Fisher & Paykel Healthcare (-7.6%) - we retain a positive view on both companies.

While the Fund's recent performance has been strong, the market remains volatile. We remain cognisant that we are in a period of elevated uncertainty with a broad range of potential market moving scenarios in play. Our decision over the past 3 months to favour recovery stocks has worked well. As a potential vaccine reduces the tail risk of a severe economic outcome, we remain cautiously optimistic into 2021.

To view Milford's January 2021 Market and Economic Review please see 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

Objective¹ 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

Target Allocation 10% Income Assets / 90% Growth Assets

Neutral FX Exposure 0%

Net Asset Value (NAV) \$513.1 M

Buy-sell Spread None - swing pricing applies (See PDS for details)

Inception Date 1 October 2013

Benchmark S&P/ASX Small Ordinaries (TR) Index (100% NZD-hedged)

Base Fund Fee² 1.35%

Performance Fee 15% of the Fund's returns above the Benchmark¹, subject to the high watermark.

Total Fund Fees³ 1.35%



Dynamic Fund as at 31 December 2020

Investment Performance after fees as at 31 December 2020⁴

Unit Price: \$2.5622

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	3.49%	12.31%	18.71%	13.35%	13.14%	14.03%
After Tax 10.50%	3.57%	12.29%	18.87%	13.36%	13.09%	13.97%
After Tax 17.50%	3.62%	12.27%	18.97%	13.37%	13.06%	13.93%
After Tax 28.00%	3.70%	12.24%	19.13%	13.38%	13.01%	13.87%
Benchmark	2.84%	13.86%	10.34%	8.84%	9.81%	9.42%

Top Security Holdings

Holdings	% of Fund
Sealink Travel	3.90%
Fisher & Paykel	3.60%
Collins Foods	3.40%
EML Payments	3.18%
Lifestyle Communities	3.10%
Seven Group	3.04%
CSR	2.97%
IGO	2.67%
Australian Finance	2.67%
HUB24	2.64%

Current Asset Allocation

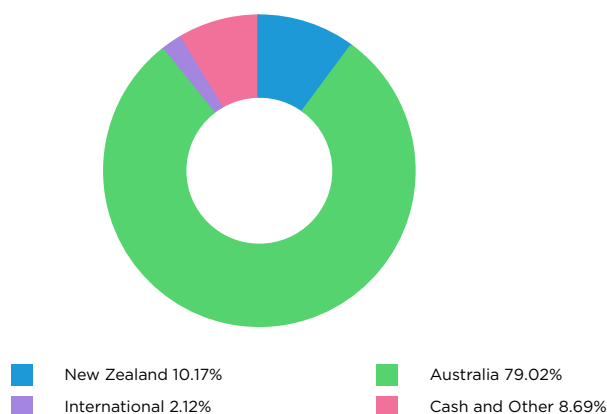
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	8.69%	10.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	10.17%	0%
Australian Equities	81.14%	90.00%
International Equities	0.00%	0%
Other	0.00%	0%

The actual cash held by the Fund is 8.75%. 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 %
Consumer Discretionary	20.64%
Materials	14.74%
Financials	14.44%
Real Estate	11.90%
Information Technology	10.25%
Health Care	8.73%
Industrials	6.04%
Communication Services	2.72%
Energy	1.01%
Utilities	0.51%
Consumer Staples	0.33%
Cash and Other	8.69%

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 for more information about the data published within this document.

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