

Dynamic Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 December 2021



Portfolio Managers



William Curtayne
Portfolio Manager



Michael Higgins
Portfolio Manager

2021 was a strong year for the Fund having delivered a 22.0% return, compared against the Small Ordinaries benchmark return of 17.2%. The Fund rallied by 1.9% in December, 0.3% ahead of the benchmark.

Performance was led by Neuren Pharmaceuticals, which rallied 109.4% following exceptional phase 3 trial results for its drug Trofinetide which treats Rett Syndrome. Neuren will be seeking US regulatory approval in late 2022/early 2023. We think it has a very good chance of being approved.

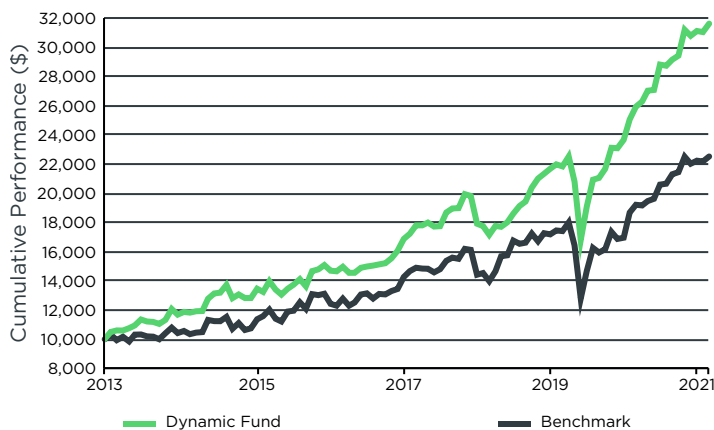
Independent supermarket wholesaler Metcash (+14.4%), was a key contributor in December. We believe Metcash's defensive characteristics and exposure to higher-margin hardware is underappreciated by equity markets. DGL (Dangerous Goods Logistics), an IPO that listed in May, rallied 27.8% in December. DGL is a founder-led business exposed to the logistics and storage of specialised chemicals. Laggards included digital payments business EML Payments (-10.3%) which returned some of the outperformance last month, and Collins Foods (-3.9%) on no new news.

As we approach the new year, global risks continue to escalate. That said, early reports on Omicron suggest while it is far more contagious than previous variants, it does appear less deadly. Given this new development, we have added some reopening beneficiaries to better balance the Fund. We remain cautiously optimistic into 2022.

To view Milford's January 2022 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 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

Minimum recommended investment timeframe 8 years +

Target Allocation 10% Income Assets / 90% Growth Assets

Neutral FX Exposure 0%

Net Asset Value (NAV) \$965.9 M

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

Inception Date 1 October 2013

Status Closed to new investment

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%

Risk Indicator

Lower risk Higher risk

1 2 3 4 5 **6** 7

Potentially lower returns Potentially higher returns

Dynamic Fund as at 31 December 2021

Investment Performance after fees as at 31 December 2021⁴

Unit Price: \$3.1228

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	1.87%	2.71%	21.95%	22.60%	16.14%	14.97%
After Tax 10.50%	1.88%	2.74%	21.82%	22.64%	16.11%	14.90%
After Tax 17.50%	1.89%	2.75%	21.74%	22.66%	16.09%	14.85%
After Tax 28.00%	1.90%	2.78%	21.61%	22.70%	16.05%	14.78%
Benchmark	1.55%	2.26%	17.22%	17.22%	11.99%	10.34%

Top Security Holdings

Holdings	% of Fund
Collins Foods	3.92%
Credit Corp	3.40%
Metcash	3.24%
IPH	3.22%
Contact Energy	3.15%
Seven Group	3.05%
Carsales.Com	3.00%
Lifestyle Communities	2.70%
EBOS Group	2.69%
Sandfire Resources	2.58%

Current Asset Allocation

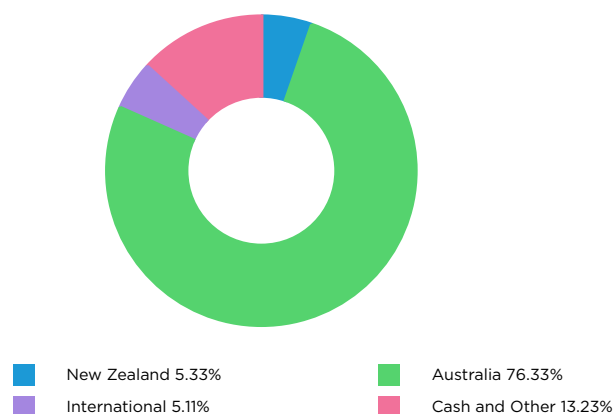
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	13.23%	10.0%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	7.98%	0.0%
Australian Equities	78.79%	90.0%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

The actual cash held by the Fund is 13.45%. 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	13.24%
Materials	12.57%
Consumer Discretionary	10.08%
Information Technology	9.11%
Industrials	8.49%
Real Estate	8.15%
Communication Services	7.20%
Health Care	5.76%
Other Sectors	12.17%
Cash and Other	13.23%

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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