

# Dynamic Fund

## Portfolio Investment Entity

### Monthly Fact Sheet as at 31 December 2023



## Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Michael Higgins**  
Portfolio Manager

2023 was a solid year for Australian small cap equities, with markets rebounding sharply in the last two months of the year on the prospect of a soft economic landing in the US. The Fund returned 6.4% for December, behind the S&P/ASX Small Ordinaries which rallied 7.4%.

Performance was led by Neuren Pharmaceuticals which rallied 61.1% following the successful readout results for its NNZ-2591 drug which treats the debilitating Phelan-McDermid Syndrome. The consistency of the results, efficacy and benign safety profile exceeded our high expectations.

Our largest position Viva Energy rallied 13.3% on the ACCC (competition regulator) approval of the acquisition of OTR. We view the deal as transformative for Viva's retail ambitions. Singapore telco Tuas (+31.1%) delivered a strong AGM update which supported our investment thesis. Laggards included Las Vegas based content, hardware and game developer Light & Wonder which fell 7.4% on no news. General insurer Insurance Australia fell 4.7% reflecting falling interest rates.

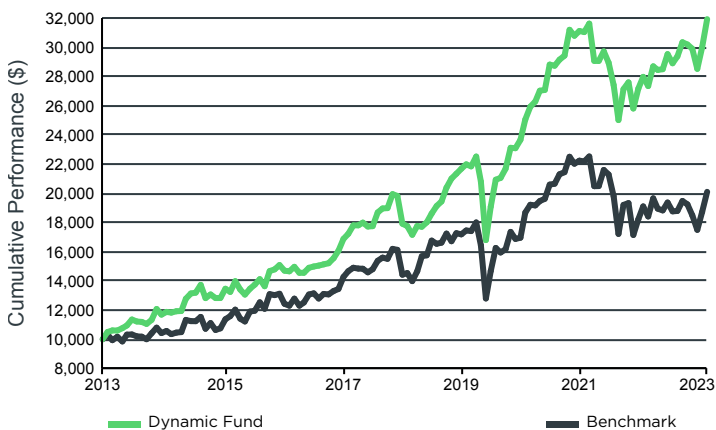
With tight labour markets, robust wage growth and heavy migration inflows, expectations of rate cuts in Australia may prove to be premature. Nevertheless, we expect significant volatility around the highly contentious soft-landing vs hard-landing debate. We enter the new year with a well diversified and nimble portfolio given the wide array of outcomes.

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

For previous fund reports see [milfordasset.com/fund-reports](https://milfordasset.com/fund-reports).

## 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 out-performing 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>Status</b>	Closed to New Investment
<b>Neutral FX Exposure</b>	0%
<b>Net Asset Value (NAV)</b>	\$687.7 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;"> <span>Lower risk</span> <span>Higher risk</span> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> <span>1</span> <span>2</span> <span>3</span> <span>4</span> <span>5</span> <span style="border: 2px solid green; border-radius: 50%; padding: 2px 5px;">6</span> <span>7</span> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <span>Potentially lower returns</span> <span>Potentially higher returns</span> </div>

## Dynamic Fund as at 31 December 2023

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

Unit Price: \$3.1431

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	6.43%	6.78%	16.76%	7.19%	13.23%	11.99%
After Tax 10.50%	6.45%	6.75%	16.54%	7.04%	13.18%	11.90%
After Tax 17.50%	6.47%	6.73%	16.39%	6.95%	13.15%	11.84%
After Tax 28.00%	6.49%	6.71%	16.17%	6.80%	13.10%	11.75%
Benchmark	7.35%	8.69%	9.18%	1.52%	7.53%	7.04%

### Top Security Holdings

Holdings	% of Fund
Viva Energy Group	5.01%
Carsales.Com	3.15%
Contact Energy	3.01%
Neuren Pharmaceuticals	2.78%
Newmont	2.75%
Waypoint REIT	2.64%
Monadelphous	2.59%
Beach Energy	2.56%
Collins Foods	2.39%
Santos	2.28%

### Current Asset Allocation

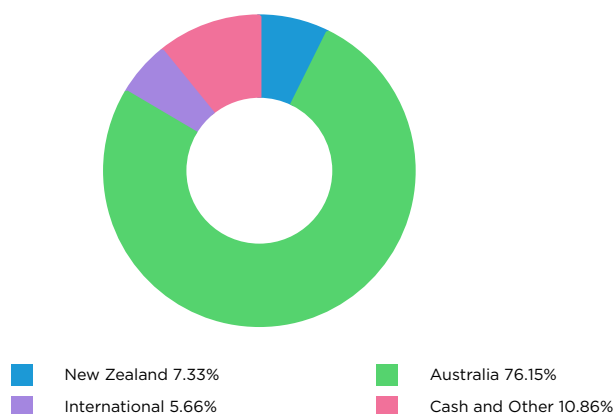
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	10.76%	10%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	7.01%	0.0%
Australian Equities	82.13%	90%
International Equities	0.00%	0.0%
Other	0.10%	0.0%

# The actual cash held by the Fund is 10.76%. 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 %
Energy	13.84%
Materials	11.27%
Financials	11.20%
Industrials	9.46%
Communication Services	8.44%
Real Estate	7.42%
Information Technology	6.94%
Health Care	6.44%
Other Sectors	14.13%
Cash and Other	10.86%

### 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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