

# Dynamic Fund

Portfolio Investment Entity

## Monthly Fact Sheet as at 28 February 2021



### Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Michael Higgins**  
Portfolio Manager

The Dynamic Fund returned 2.8% in February, outperforming the S&P/ASX Small Ordinaries benchmark by 1.3%, making this reporting season one of the best in recent memory.

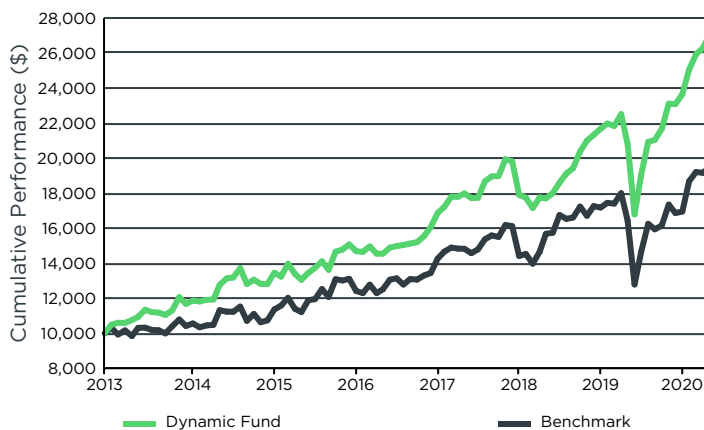
Performance was led by our largest position SeaLink (+32.6%) following a stellar result. SeaLink continues to win key commuter bus contracts, having secured routes in South Australia, Queensland, Western Australia and Singapore. The upcoming tender pipeline also looks promising. Digital payments service provider EML Payments (+29.6%) produced another strong earnings result. Other top performers include Virgin Money UK (+39.5%), an ASX listed UK bank. Virgin Money provides exposure to rising rates and an improving mortgage market in the UK.

Detractors included gold miner Northern Star (-20.5%) and Fisher & Paykel Healthcare (-15.6%) as Covid-19 "winners" sold-off. The prospect of a broad recovery in economic activity continues. This is being driven by steady progress on vaccinations which have begun rollout domestically and steady fiscal and monetary support. However, a significant risk across equity markets are the clear pockets of speculation that are emerging. While this is more acute in global markets, there are initial signs closer to home in valuations on loss-making businesses and some IPOs. Our style neutral approach has allowed us to tilt the portfolio towards recovery stocks where we can identify relative value.

To view Milford's March 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

**Objective<sup>1</sup>** 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)** \$580.1 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 Fee<sup>2</sup>** 1.35%

**Performance Fee** 15% of the Fund's returns above the Benchmark<sup>1</sup>, subject to the high watermark.

**Total Fund Fees<sup>3</sup>** 1.35%



# Dynamic Fund as at 28 February 2021

## Investment Performance after fees as at 28 February 2021<sup>4</sup>

Unit Price: \$2.6702

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	2.82%	7.87%	29.92%	14.52%	15.66%	14.35%
After Tax 10.50%	2.82%	7.94%	30.08%	14.52%	15.59%	14.28%
After Tax 17.50%	2.83%	7.98%	30.18%	14.52%	15.55%	14.24%
After Tax 28.00%	2.83%	8.05%	30.33%	14.52%	15.48%	14.18%
Benchmark	1.57%	4.22%	18.46%	9.49%	11.65%	9.40%

## Top Security Holdings

Holdings	% of Fund
Sealink Travel	5.39%
Collins Foods	4.00%
IGO	3.78%
Virgin Money	3.46%
EML Payments	3.45%
Seven Group	3.20%
HUB24	2.91%
Lifestyle Communities	2.80%
IDP Education	2.56%
Universal Store	2.48%

## Current Asset Allocation

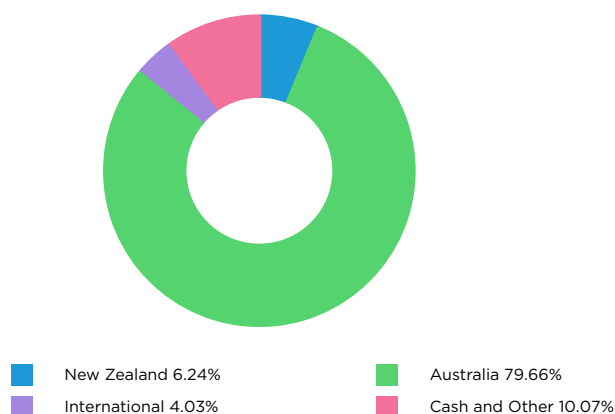
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	9.17%	10.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	6.24%	0%
Australian Equities	83.69%	90.00%
International Equities	0.00%	0%
Other	0.90%	0%

# The actual cash held by the Fund is 9.18%. 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	23.45%
Materials	18.38%
Financials	15.29%
Real Estate	8.94%
Information Technology	8.86%
Industrials	5.42%
Health Care	4.33%
Communication Services	3.01%
Energy	1.33%
Utilities	0.75%
Consumer Staples	0.17%
Cash and Other	10.07%

## 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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