

Dynamic Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 28 February 2023



Portfolio Managers



William Curtayne
Portfolio Manager



Michael Higgins
Portfolio Manager

The Fund returned -0.9% for the month, ahead of the S&P/ASX Small Ordinaries which declined 3.7%. The resource sector lagged, giving up much of China's reopening enthusiasm which was seen in January. Reporting season was the focus over the month, with nearly all portfolio companies announcing financial results. While the market delivered twice as many downgrades as upgrades, we fortunately navigated the month well and managed to largely evade the typical reporting season bombs.

Performance was led by 'out of home' advertising (e.g. billboards) company oOh!Media (+10.8%). oOh!Media has continued its recovery from depressed Covid levels and industry data suggests the outdoor category is tracking ahead of pre-Covid levels reflecting peoples' improved mobility. While out of home advertising is not immune to a cyclical downturn, it should be more resilient.

Integrated energy company Origin Energy (+10.4%) rallied following a revised takeover bid of \$8.90 (down from \$9) from the bidding consortium. While it is a small price cut to previous expectations, it was a positive step towards consummating the deal. The stock is currently trading at a 10% discount to this price which we feel will narrow as regulatory uncertainties moderate.

Seven Group (+8.0%) - the owner of multiple businesses including the Caterpillar dealership Westrac in Western Australia and New South Wales, Australia's largest equipment hire business Coates Hire, Boral, and a stake in Beach Energy - delivered a strong earnings result. The diversified conglomerate provides leverage to demand for domestic resources and the infrastructure capex cycle which we suspect will be a multi-year journey.

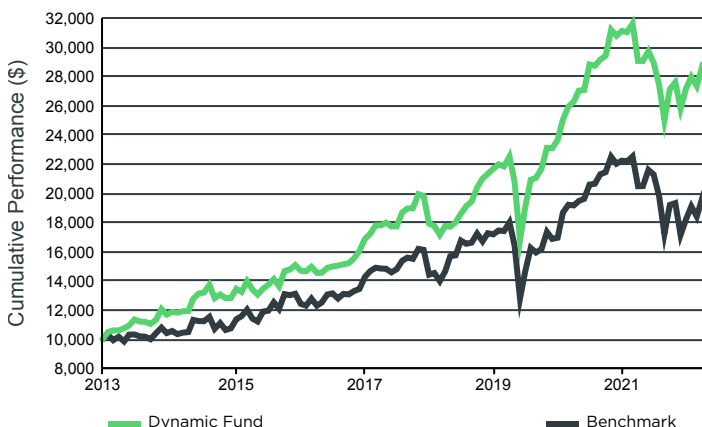
Mining service provider Monadelphous (-13.7%) lagged following a delay in capex spend into FY24, while gold miner Silver Lake (-22.7%) disappointed after a weaker than expected half.

General market conditions remain volatile. However, looking through the short-term of the market, we continue to structure the portfolio with a mix of quality companies we believe can perform despite uncertain conditions. More recently we have favoured companies with strong cash-generating attributes or those leveraged to more resilient areas of the economy. We continue to be cautious on those companies exposed to the impact of RBA monetary tightening on consumer balance sheets. The recent volatility has created an investing environment ideal to our very active approach to investing.

To view Milford's March 2023 Market and Economic Review please see milfordasset.com/investor-centre.

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
Status	Closed to New Investment
Neutral FX Exposure	0%
Net Asset Value (NAV)	\$651.4 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 Benchmark ¹ , subject to the high watermark.
Total Fund Fees³	1.35%

	Lower risk Higher risk						
Risk Indicator	1	2	3	4	5	6	7
	Potentially lower returns				Potentially higher returns		

Dynamic Fund as at 28 February 2023

Investment Performance after fees as at 28 February 2023⁴

Unit Price: \$2.8041

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	-0.87%	1.68%	-2.13%	11.00%	9.60%	11.74%
After Tax 10.50%	-0.85%	1.70%	-2.24%	10.98%	9.56%	11.67%
After Tax 17.50%	-0.83%	1.71%	-2.32%	10.97%	9.53%	11.63%
After Tax 28.00%	-0.81%	1.72%	-2.43%	10.94%	9.49%	11.56%
Benchmark	-3.61%	-0.82%	-7.56%	4.85%	5.02%	7.02%

Top Security Holdings

Holdings	% of Fund
Viva Energy Group	5.09%
Contact Energy	3.43%
Seven Group	3.31%
IPH	3.29%
Origin Energy	2.86%
SmartPay	2.80%
Resmed	2.74%
Waypoint REIT	2.67%
oOh!media	2.54%
Collins Foods	2.34%

Current Asset Allocation

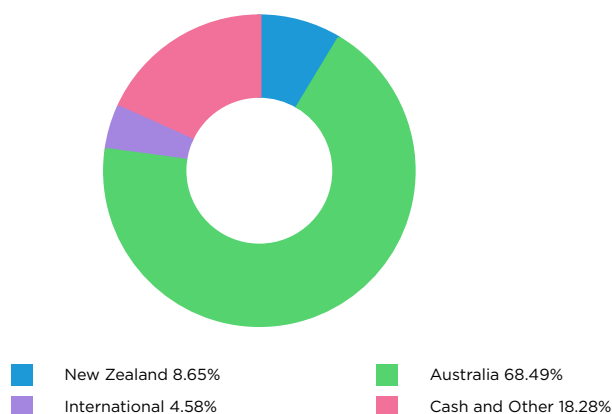
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	18.28%	10%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	10.07%	0.0%
Australian Equities	71.65%	90%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

The actual cash held by the Fund is 18.41%. 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	10.57%
Industrials	8.80%
Energy	8.75%
Communication Services	8.23%
Materials	7.77%
Real Estate	6.87%
Health Care	6.82%
Information Technology	6.63%
Other Sectors	17.28%
Cash and Other	18.28%

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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