

Dynamic Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 January 2022



Portfolio Managers



William Curtayne
Portfolio Manager



Michael Higgins
Portfolio Manager

January saw a sharp market sell-off as investors digested the implications of a higher interest rate environment. Our cautious positioning into the new year provided minor resistance against the broader sell-off which was most acute in high priced technology stocks. The Fund was down 8.1%, compared with the 9% fall experienced by the S&P/ASX Small Ordinaries Index.

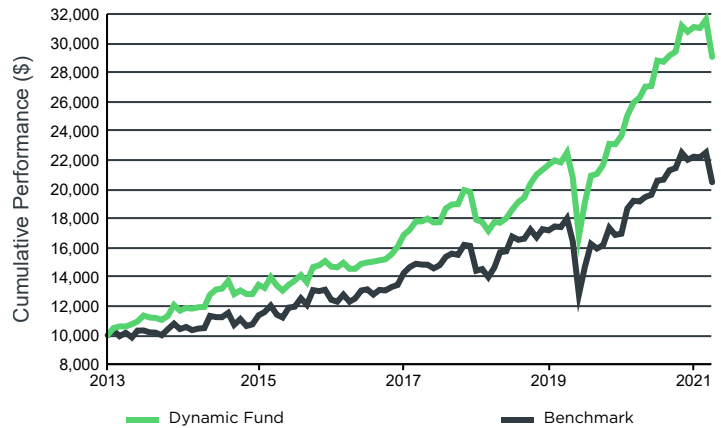
Santos (+13.2%) and Karoon Energy (+13.7%) were two portfolio companies which performed strongly over the month reflecting a surge in oil demand. Another key contributor was Virgin Money UK (+6.9%). Laggards included industrials Lifestyle Communities (-19.3%) and Collins Foods (-12.8%). Lifestyle is the owner and operator of affordable, independent living communities catering to the elderly. Collins is the owner of KFC restaurants in Australia and Netherlands. We continue to hold both companies.

In the past few years economic growth has been scarce, which has partly explained the valuation premium attributed to technology companies. Now, the prospect of a broad recovery in economic activity has become real and more importantly expansive. This has led to higher inflation rates which will now result in tighter monetary policies. Our style neutral approach has allowed us to build cash and tilt the portfolio towards defensive and recovery stocks where we can identify relative value.

To view Milford's February 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
Status	Closed to new investment
Neutral FX Exposure	0%
Net Asset Value (NAV)	\$882.3 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%

Risk Indicator

Lower risk Higher risk

1 2 3 4 5 **6** 7

Potentially lower returns Potentially higher returns

Dynamic Fund as at 31 January 2022

Investment Performance after fees as at 31 January 2022⁴

Unit Price: \$2.8705

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	-8.08%	-6.58%	10.58%	17.83%	14.84%	13.65%
After Tax 10.50%	-8.04%	-6.53%	10.53%	17.85%	14.82%	13.59%
After Tax 17.50%	-8.01%	-6.50%	10.50%	17.86%	14.81%	13.55%
After Tax 28.00%	-7.98%	-6.44%	10.45%	17.89%	14.79%	13.48%
Benchmark	-9.05%	-7.87%	6.87%	11.79%	10.74%	8.98%

Top Security Holdings

Holdings	% of Fund
Credit Corp	3.80%
Collins Foods	3.78%
Metcash	3.57%
Contact Energy	3.50%
Seven Group	3.39%
IPH	3.30%
Sandfire Resources	2.84%
EBOS Group	2.79%
Carsales.Com	2.69%
Virgin Money	2.67%

Current Asset Allocation

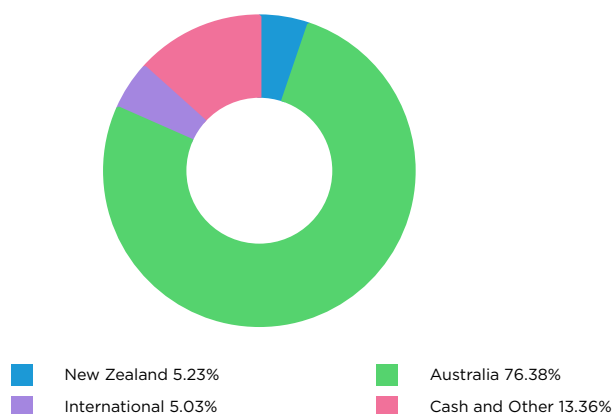
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	13.36%	10.0%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	7.94%	0.0%
Australian Equities	78.70%	90.0%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

The actual cash held by the Fund is 13.73%. 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	13.69%
Materials	11.94%
Consumer Discretionary	9.51%
Industrials	9.15%
Information Technology	8.95%
Real Estate	8.37%
Communication Services	6.95%
Energy	6.08%
Other Sectors	12.00%
Cash and Other	13.36%

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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