

# Dynamic Fund

## Portfolio Investment Entity

### Monthly Fact Sheet as at 30 June 2023



## Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Michael Higgins**  
Portfolio Manager

The Fund returned 1.7%, ahead of the S&P/ASX Small Ordinaries which made a return of 0.1% this month.

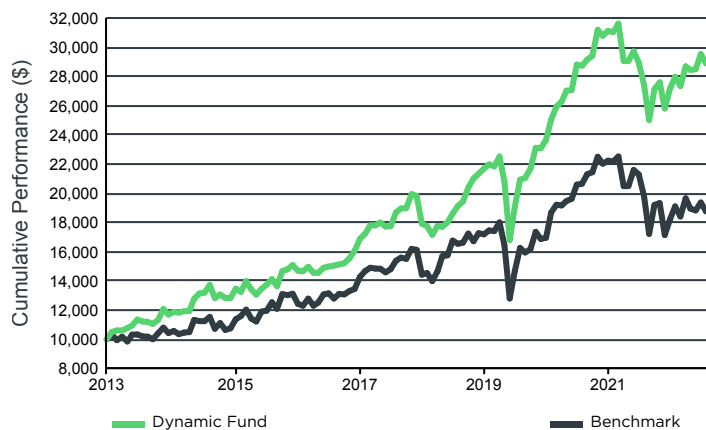
Performance was led by KFC restaurant owner Collins Foods (+17.0%) which delivered a better-than-expected earnings result. Europe operations surprised to the upside, while Australian margins appear to have bottomed. Australasian terminal provider Smartpay (+10.0%) continued its recent momentum. Diversified data centre company Macquarie Telecom (+14.8%) rallied following a trading update and equity raise. Detractors included fuel retailer Viva Energy (-5.0%) which suffered a minor setback at its Geelong Refinery during a maintenance turnaround, and Neuren Pharmaceuticals (-11.5%) on no news.

It is becoming clear that Australia is in a two-speed economy. On one hand, the older asset-rich generation is booming from high interest rates underpinning increased spend on categories like travel and restaurants. The younger demographic, in contrast, is suffering a cost-of-living squeeze. High household debt and leverage to variable interest rates creates more risk around their consumer balance sheets. We have long been of the view that as the economy weakens, we will rotate back into quality growth companies at attractive valuations. We have selectively started this process given our elevated cash position, however only in moderate size to date.

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

## 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>** 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

<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>	\$656.8 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>
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## Dynamic Fund as at 30 June 2023

### Investment Performance after fees as at 30 June 2023<sup>4</sup>

Unit Price: \$2.8947

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	1.65%	3.09%	17.45%	11.76%	9.15%	11.69%
After Tax 10.50%	1.68%	3.13%	17.21%	11.68%	9.12%	11.62%
After Tax 17.50%	1.71%	3.16%	17.06%	11.63%	9.10%	11.57%
After Tax 28.00%	1.74%	3.20%	16.82%	11.56%	9.07%	11.49%
Benchmark	0.16%	-0.19%	9.14%	5.63%	3.80%	6.68%

### Top Security Holdings

Holdings	% of Fund
Viva Energy Group	4.38%
Contact Energy	3.54%
IPH	3.44%
IGO	3.02%
SmartPay	2.95%
Carsales.Com	2.92%
IRESS	2.80%
Waypoint REIT	2.79%
Origin Energy	2.61%
Monadelphous	2.58%

### Current Asset Allocation

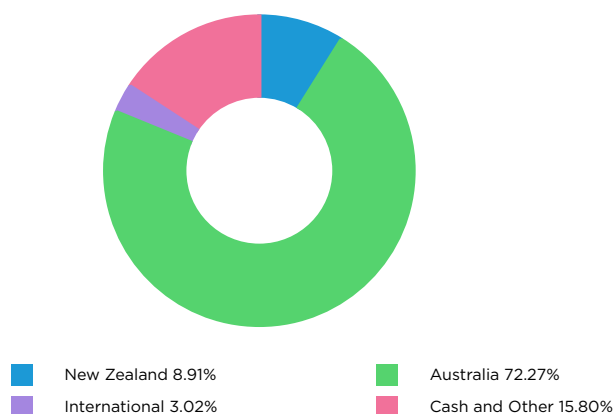
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	15.80%	10%
New Zealand Fixed Interest	0.00%	0.0%
International Fixed Interest	0.00%	0.0%
New Zealand Equities	9.41%	0.0%
Australian Equities	74.79%	90%
International Equities	0.00%	0.0%
Other	0.00%	0.0%

# The actual cash held by the Fund is 15.82%. 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 %
Materials	12.38%
Financials	11.42%
Industrials	10.95%
Communication Services	9.12%
Energy	8.57%
Real Estate	8.12%
Utilities	6.78%
Health Care	4.89%
Other Sectors	11.97%
Cash and Other	15.80%

### 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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