

# Dynamic Fund

Portfolio Investment Entity

## Monthly Fact Sheet as at 31 March 2021



### Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Michael Higgins**  
Portfolio Manager

It has been an exceptional 12 months for the Dynamic Fund, having delivered a 61.2% return, 7.9% ahead of the ASX/Small Ordinaries benchmark. The Fund returned 0.2% return in March, 0.6% behind the benchmark.

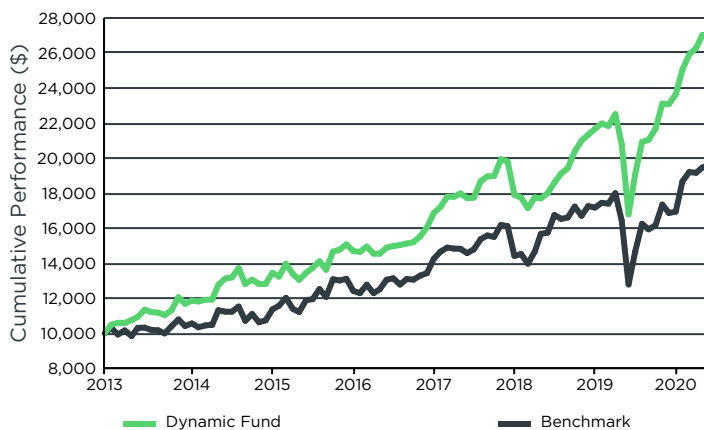
Performance was led by a diverse mix of businesses over the month. We had a strong contribution from the Bank of Queensland (+17.7%) capital raise, and we opportunistically supported the sell-down of Genworth Mortgages (+12.3%). Both businesses are benefitting from accelerating housing credit growth and stronger house prices which underpin lower bad debts and insurance losses. Other winners include Bluescope (+16.0%) which generates significant cash flows from US steel products, as steel margins remain elevated.

Detractors included portable respirator manufacturer and distributor CleanSpace Technologies (-67.2%) and lithium and nickel miner IGO (-10.7%). 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 importantly more expansive. This is being driven by steady progress on vaccinations and steady fiscal and monetary support. With this in mind, we continue to favour companies with exposure to an economic recovery over stocks where valuations have become stretched.

To view Milford's April 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

<b>Target Allocation</b>	10% Income Assets / 90% Growth Assets
<b>Neutral FX Exposure</b>	0%
<b>Net Asset Value (NAV)</b>	\$612.7 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%



## Dynamic Fund as at 31 March 2021

### Investment Performance after fees as at 31 March 2021<sup>4</sup>

Unit Price: \$2.675

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	0.19%	4.42%	61.22%	15.17%	15.01%	14.20%
After Tax 10.50%	0.23%	4.46%	61.46%	15.23%	14.94%	14.15%
After Tax 17.50%	0.26%	4.48%	61.62%	15.27%	14.90%	14.11%
After Tax 28.00%	0.31%	4.52%	61.85%	15.33%	14.84%	14.05%
Benchmark	0.79%	2.14%	53.36%	10.39%	10.52%	9.40%

### Top Security Holdings

Holdings	% of Fund
Collins Foods	4.62%
Sealink Travel	3.74%
IGO	3.67%
Virgin Money	3.59%
Seven Group	3.48%
EML Payments	3.42%
Northern Star	3.19%
Lifestyle Communities	2.80%
HUB24	2.74%
Bapcor	2.51%

### Current Asset Allocation

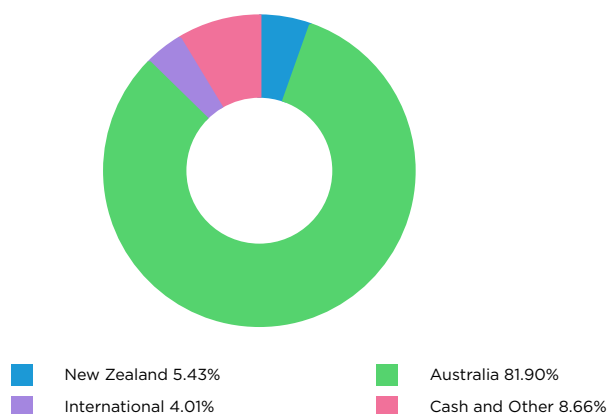
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	8.66%	10.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	6.77%	0%
Australian Equities	84.57%	90.00%
International Equities	0.00%	0%
Other	0.00%	0%

# The actual cash held by the Fund is 8.74%. 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	20.36%
Materials	20.19%
Financials	16.32%
Information Technology	8.11%
Industrials	7.48%
Real Estate	7.17%
Communication Services	4.20%
Health Care	3.23%
Energy	2.74%
Utilities	1.54%
Cash and Other	8.66%

### 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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