

# Dynamic Fund

Portfolio Investment Entity

## Monthly Fact Sheet as at 31 May 2021



### Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Michael Higgins**  
Portfolio Manager

The Fund declined 0.3% in May, trailing the S&P/ASX Small Ordinary index by 0.6%. Over the past 12 months returns have been strong with the Fund returning 37.3%, 10.2% ahead of the benchmark.

Performance was again led by a broad range of companies across a range of industries. Two of our better performers were gold miners Evolution Mining (+16.8%) and Northern Star Resources (+11.3%). Both companies shadowed the buoyant gold price which rallied 8% over the month. Other winners included independent investment platform Praemium, which rallied 20% on heightened M&A speculation and a supportive management change.

The key detractor was EML Payments (-41.9%) which sold-off in May. The Central Bank of Ireland raised concerns when auditing PFS, a recent acquisition of EML. In response to the added uncertainty, we trimmed our position and will monitor closely for further clarity over the coming months. EML is a reminder that balancing risk and reward are critical in small company investing. Despite the disappointing sharp fall over the month, EML remains in our top five best investments over the past seven years of running the Dynamic strategy.

While equity markets remain choppy, cyclically exposed companies and reflation beneficiaries continue to outperform high-priced technology companies. We think this trend will continue in the near term and have positioned the portfolio accordingly.

To view Milford's June 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)** \$733.8 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 31 May 2021

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

Unit Price: \$2.8388

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	-0.27%	6.33%	37.30%	15.42%	15.27%	14.76%
After Tax 10.50%	-0.34%	6.28%	37.33%	15.44%	15.21%	14.69%
After Tax 17.50%	-0.38%	6.25%	37.36%	15.46%	15.17%	14.65%
After Tax 28.00%	-0.45%	6.21%	37.39%	15.48%	15.11%	14.58%
Benchmark	0.30%	6.10%	27.06%	10.34%	10.51%	9.92%

### Top Security Holdings

Holdings	% of Fund
Collins Foods	4.93%
Northern Star	4.48%
Evolution Mining	4.06%
Virgin Money	3.91%
HUB24	3.86%
Seven Group	3.62%
Contact Energy	3.45%
Sealink Travel	3.39%
IGO	2.69%
Bapcor	2.63%

### Current Asset Allocation

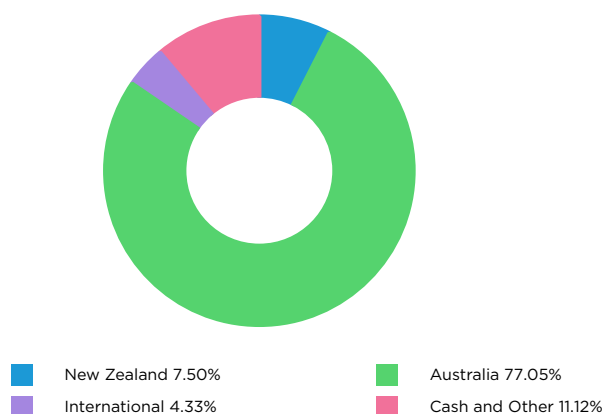
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	10.03%	10.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	8.31%	0%
Australian Equities	80.57%	90.00%
International Equities	0.00%	0%
Other	1.09%	0%

# The actual cash held by the Fund is 10.02%. 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	19.92%
Consumer Discretionary	18.59%
Financials	14.18%
Industrials	8.19%
Real Estate	7.09%
Information Technology	7.03%
Health Care	4.18%
Communication Services	3.87%
Utilities	3.45%
Energy	2.38%
Cash and Other	11.12%

### 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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