

Dynamic Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 June 2020



Portfolio Managers



William Curtayne
Portfolio Manager



Michael Higgins
Portfolio Manager

The Dynamic Fund returned 0.6% in June, outperforming the S&P/ASX Small Ordinaries benchmark by 2.5%. Over the prior 12 months, the Fund has pleasingly delivered an 8.3% return against the benchmark return of -4.1%.

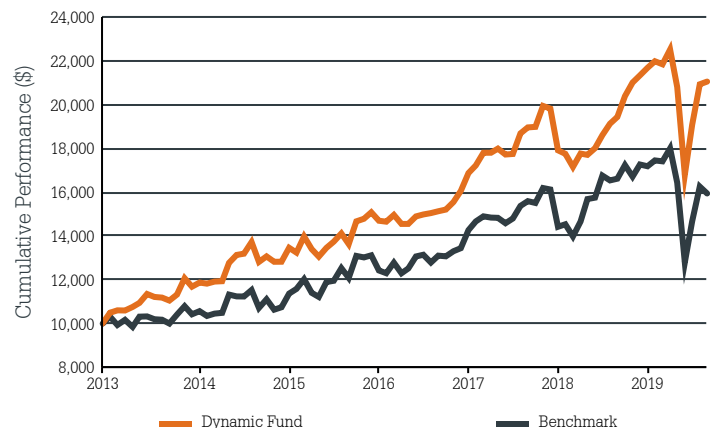
Performance was led by two companies we previously identified earlier in the year as beneficiaries from COVID-19 conditions, they were KFC restaurant owner Collins Foods (+17.8%) and respiratory technology company Fisher & Paykel Healthcare (+18.5%). Collins Foods confirmed its earnings resiliency by beating expectations underpinned by increased drive-thru and strong e-commerce delivery sales. Fisher & Paykel also beat market earnings expectations as clinical best practice for COVID-19 evolved from invasive incubation to Fisher & Paykel's primary Nasal High Flow Therapy.

Detractors included gold miner Evolution (-7.0%) and financial platform HUB24 (-12.5%) – we continue to add to both positions on weakness. The recent COVID-19 volatility has created an investing environment ideal for a very active approach to investing. In many cases, small capitalisation companies are the best placed to exploit this exposure. While we have shifted the Fund to be slightly more defensive once again, we remain invested in quality companies we think can continue to perform despite uncertain conditions.

To view Milford's July 2020 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	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)	\$332.1 M
Buy-sell Spread	None
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	<div style="display: flex; justify-content: space-between; align-items: center;"> Lower risk Higher risk </div> <div style="display: flex; justify-content: center; align-items: center; margin: 5px 0;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between; align-items: center;"> Potentially lower returns Potentially higher returns </div>

Investment Performance after fees as at 30 June 2020⁴

Unit Price: \$2.0817

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	0.59%	25.35%	8.31%	11.63%	10.43%	11.66%
After Tax 10.50%	0.63%	25.45%	8.36%	11.64%	10.29%	11.59%
After Tax 17.50%	0.66%	25.51%	8.40%	11.64%	10.19%	11.54%
After Tax 28.00%	0.70%	25.61%	8.45%	11.64%	10.05%	11.46%
Benchmark	-1.93%	24.61%	-4.06%	6.75%	8.26%	7.15%

Top Security Holdings

Holdings	% of Fund's NAV
Evolution Mining	5.03%
Collins Foods	3.83%
Saracen Mineral Holdings	3.40%
Sealink Travel Group	3.21%
Bapcor	3.21%
EQT Holdings	2.86%
IPH	2.68%
HUB24	2.67%
EML Payments	2.64%
Seven Group Holdings	2.53%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	13.83%	10.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	12.02%	0%
Australian Equities	74.15%	90.00%
International Equities	0.00%	0%
Other	0.00%	0%

The actual cash held by the Fund is 13.69%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Sector Exposure

Allocation	Weight %
Consumer Discretionary	14.03%
Materials	12.91%
Information Technology	12.01%
Real Estate	11.71%
Financials	10.34%
Communication Services	7.53%
Health Care	5.80%
Industrials	5.79%
Other Sectors	6.05%
Cash and Other	13.83%

Region Exposure



■ New Zealand 11.70%
 ■ Australia 73.95%
 ■ International 0.52%
 ■ Cash and Other 13.83%

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.

Level 28, 48 Shortland Street, Auckland
 PO Box 960, Shortland Street, Auckland 1140
 Free phone 0800 662 345
milfordasset.com

