

Dynamic Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 July 2020



Portfolio Managers



William Curtayne
Portfolio Manager



Michael Higgins
Portfolio Manager

Domestic equity markets remained robust through July, despite the renewed Melbourne lockdown and gradual spread of the outbreak to Sydney. The Dynamic Fund returned 3.0%, outperforming the S&P/ASX Small Ordinaries benchmark by 1.5% for the month.

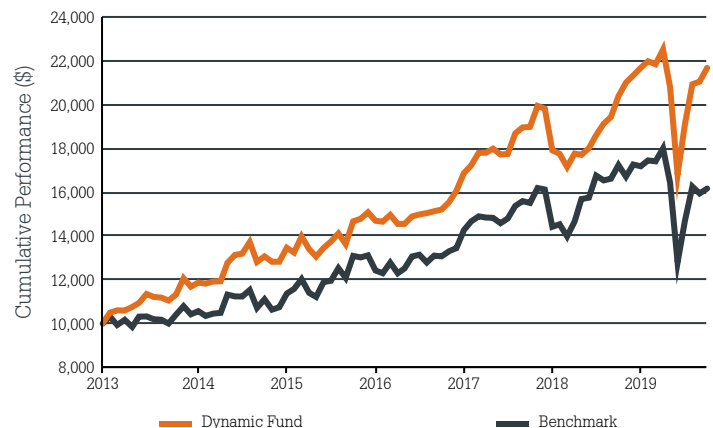
Performance was led by independent investment platform HUB24 (+43.4%) which closed FY20 with \$17.2bn in Funds Under Administration, up 14% for the quarter and 34% on the previous period. HUB24 is a beneficiary from the structural migration of advisors away from the major banks and AMP into more nimble independent groups which favour superior technology platforms. Gold miners Saracen (+10.7%) and Evolution (+4.1%) performed strongly driven by continued quantitative easing programs conducted by Central Banks and safe-haven demand in an uncertain economic environment. While we took the opportunity to take some profits across a number of gold miners in the portfolio, we still retain a significant exposure at ~12% of total assets.

Detractors included retirement community developer Lifestyle Communities (-8.6%) and transit and domestic tourism operator SeaLink (-4.8%) – we retain a longer-term positive view on both companies. The inevitable volatility created with the upcoming August results season will be sure to provide some opportunities to deploy capital into oversold companies and reassess the investment thesis in our core holdings.

To view Milford's August 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)	\$350.3 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; gap: 10px;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 5px;"> Potentially lower returns Potentially higher returns </div>

Investment Performance after fees as at 31 July 2020⁴

Unit Price: \$2.1435

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	2.97%	13.60%	6.34%	12.54%	10.64%	11.98%
After Tax 10.50%	3.03%	13.72%	6.44%	12.53%	10.54%	11.92%
After Tax 17.50%	3.06%	13.81%	6.50%	12.52%	10.48%	11.88%
After Tax 28.00%	3.11%	13.93%	6.60%	12.51%	10.38%	11.81%
Benchmark	1.42%	10.18%	-6.21%	7.34%	7.79%	7.28%

Top Security Holdings

Holdings	% of Fund's NAV
Evolution Mining	4.42%
Bapcor	3.82%
Collins Foods	3.79%
HUB24	3.76%
Saracen Mineral Holdings	3.39%
Sealink Travel Group	3.09%
EQT Holdings	2.93%
IPH	2.84%
Fisher & Paykel Healthcare	2.79%
EML Payments	2.71%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	10.42%	10.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	12.11%	0%
Australian Equities	77.47%	90.00%
International Equities	0.00%	0%
Other	0.00%	0%

The actual cash held by the Fund is 10.25%. 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	14.69%
Information Technology	13.37%
Materials	13.27%
Real Estate	11.96%
Financials	11.60%
Communication Services	6.40%
Health Care	6.21%
Industrials	6.04%
Other Sectors	6.04%
Cash and Other	10.42%

Region Exposure



■ New Zealand 11.84%
 ■ Australia 76.71%
 ■ International 1.03%
 ■ Cash and Other 10.42%

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

