

Dynamic Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 September 2020



Portfolio Managers



William Curtayne
Portfolio Manager



Michael Higgins
Portfolio Manager

The Dynamic Fund held up well through September delivering a largely flat return of -0.1%, while the S&P/ASX Small Ordinaries benchmark declined 2.8%. We are pleased at the continued outperformance of the Fund since the severe sell-off in February and March (6.8% since March 23rd).

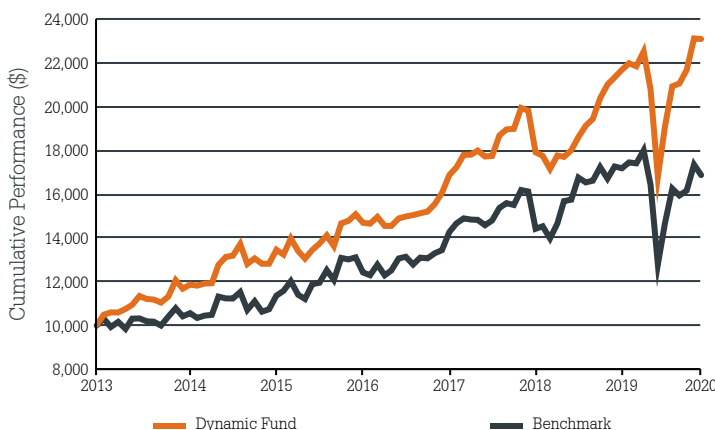
This month, performance was led by SeaLink (+18.3%) as it continues to win key transit contracts, having secured routes in SA, QLD, WA and Singapore over the past quarter. The upcoming tender pipeline also looks promising with the planned privatisation of key routes in NSW & VIC. HUB24 (+14.7%) continued its strong recent performance, as it benefits from the structural migration away from the major banks and AMP, towards more nimble independent wealth management groups. Detractors included payments provider EML Payments (-16.4%) and Fisher & Paykel Healthcare (-9.7%). We retain a positive view on both companies.

We enter the final quarter of the year with a balanced portfolio given the wide array of outcomes which will largely determine the direction of equity markets. These events include fiscal stimulus packages, developments on vaccines and the outcome of the US presidential election. In many cases, small capitalisation companies exposed to the domestic economy are the best placed to take advantage of investment opportunities in this environment.

To view Milford's October 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)	\$389.2 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 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	<p>Lower risk Higher risk</p> <p style="text-align: center;">1 2 3 4 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p>

Investment Performance after fees as at 30 September 2020⁴

Unit Price: \$2.2816

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	-0.11%	9.66%	8.21%	12.85%	12.47%	12.69%
After Tax 10.50%	-0.12%	9.73%	8.31%	12.86%	12.41%	12.63%
After Tax 17.50%	-0.12%	9.77%	8.38%	12.86%	12.37%	12.59%
After Tax 28.00%	-0.13%	9.84%	8.48%	12.87%	12.32%	12.53%
Benchmark	-2.78%	5.83%	-2.28%	7.86%	9.44%	7.76%

Top Security Holdings

Holdings	% of Fund's NAV
Sealink Travel Group	4.37%
HUB24	4.37%
Collins Foods	4.07%
Bapcor	3.93%
IPH	3.45%
Evolution Mining	3.26%
EQT Holdings	2.97%
Fisher & Paykel Healthcare	2.92%
EML Payments	2.89%
Lifestyle Communities	2.76%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	11.00%	10.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	11.67%	0%
Australian Equities	77.33%	90.00%
International Equities	0.00%	0%
Other	0.00%	0%

The actual cash held by the Fund is 10.40%. 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	20.10%
Real Estate	14.57%
Financials	11.82%
Information Technology	11.30%
Materials	10.83%
Health Care	6.12%
Industrials	6.04%
Communication Services	4.90%
Other Sectors	3.32%
Cash and Other	11.00%

Region Exposure



■ New Zealand 11.34%
 ■ Australia 76.81%
■ International 0.85%
 ■ Cash and Other 11.00%

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.

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