

Dynamic Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 January 2021



Portfolio Managers



William Curtayne
Portfolio Manager



Michael Higgins
Portfolio Manager

The Dynamic Fund returned 1.4% in January, outperforming the S&P/ASX Small Ordinaries benchmark by 1.6%. The first two weeks of January saw the Fund reach an intra-month high of 4.2% before retracing gains as global uncertainties from new strains of COVID-19 and speculative retail activity in US markets dragged on confidence.

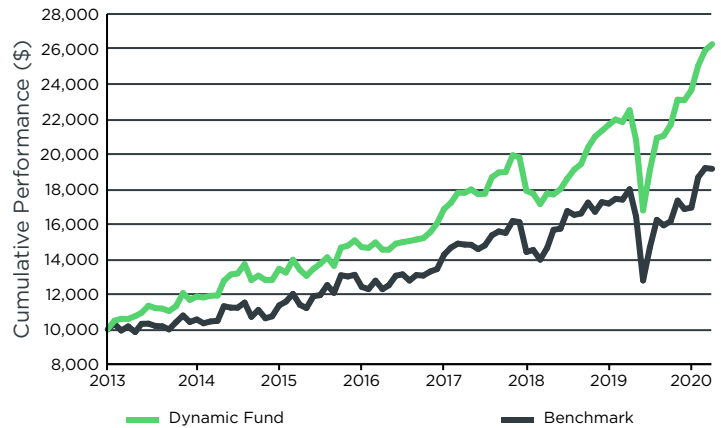
Performance was led by a recent addition to the Fund – Australian Ethical Investments (+39.2%). AEF are the fastest growing superannuation fund in Australia over the last 5 years by members and assets under management. SmartPay (+25.4%) was a notable performer that released a strong update on new terminal sales and anticipated new business following operational issues at key competitor Tyro. SmartPay is a small terminal operator growing rapidly in a large addressable market. Other top performers include PointsBet (+31.5%) which rallied on strong quarterly results. PointsBet continues to benefit from the progressive opening of sports wagering across the US. Detractors included Polynovo (-32.2%) on slower sales into US hospitals given COVID-19 and EML Payments (-7.9%) on earnings uncertainty given rolling global shutdowns.

As a potential vaccine reduces the tail risk of a severe economic outcome, we continue to increase our exposure to cyclical companies where we can identify relative value. Our target is to achieve a better-balanced portfolio which will benefit from a vaccine-led economic recovery later this year.

To view Milford's February 2021 Market and Economic Review please see milfordasset.com/fact-sheet.

Cumulative Fund Performance

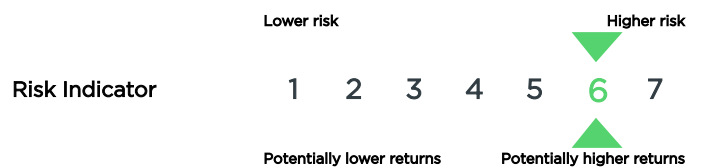
(after fees and before tax)



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) | \$545.4 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% |



Dynamic Fund as at 31 January 2021

Investment Performance after fees as at 31 January 2021⁴

Unit Price: \$2.5973

| | 1 Month | 3 Months | 1 year | 3 years (p.a.) | 5 years (p.a.) | Since inception (p.a.) |
|--|---------|----------|--------|----------------|----------------|------------------------|
| Milford Dynamic Fund (Gross Of Tax) | 1.37% | 11.10% | 16.74% | 13.86% | 14.41% | 14.07% |
| After Tax 10.50% | 1.35% | 11.08% | 16.90% | 13.85% | 14.35% | 14.01% |
| After Tax 17.50% | 1.34% | 11.07% | 17.00% | 13.84% | 14.31% | 13.97% |
| After Tax 28.00% | 1.33% | 11.06% | 17.16% | 13.82% | 14.24% | 13.90% |
| Benchmark | -0.23% | 13.04% | 6.47% | 8.90% | 10.94% | 9.27% |

Top Security Holdings

| Holdings | % of Fund |
|-----------------------|-----------|
| Sealink Travel | 3.91% |
| Collins Foods | 3.86% |
| IGO | 3.60% |
| HUB24 | 3.11% |
| CSR | 2.94% |
| EML Payments | 2.88% |
| Seven Group | 2.86% |
| Lifestyle Communities | 2.64% |
| Australian Finance | 2.64% |
| Virgin Money | 2.60% |

Current Asset Allocation

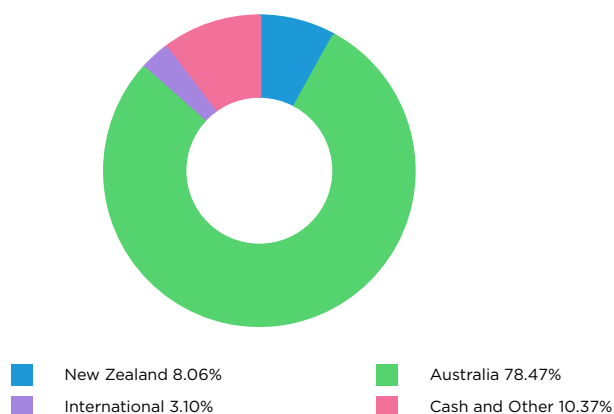
| | Actual Investment Mix | Neutral Investment Mix |
|------------------------------|-----------------------|------------------------|
| Effective Cash # | 9.45% | 10.00% |
| New Zealand Fixed Interest | 0.00% | 0% |
| International Fixed Interest | 0.00% | 0% |
| New Zealand Equities | 8.06% | 0% |
| Australian Equities | 81.57% | 90.00% |
| International Equities | 0.00% | 0% |
| Other | 0.92% | 0% |

The actual cash held by the Fund is 9.49%. 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 | 23.04% |
| Materials | 17.23% |
| Financials | 15.25% |
| Information Technology | 10.17% |
| Real Estate | 9.42% |
| Health Care | 6.26% |
| Industrials | 4.24% |
| Communication Services | 2.01% |
| Energy | 1.26% |
| Utilities | 0.45% |
| Consumer Staples | 0.30% |
| Cash and Other | 10.37% |

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 for more information about the data published within this document.

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