

Dynamic Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 July 2021



Portfolio Managers



William Curtayne
Portfolio Manager



Michael Higgins
Portfolio Manager

Despite the extended Sydney lockdown and gradual spread of the COVID-19 outbreak to other states, domestic equity markets remained robust through July. The Dynamic Fund increased 0.9% over the month, 0.3% ahead of the S&P/ASX Small Ordinaries index.

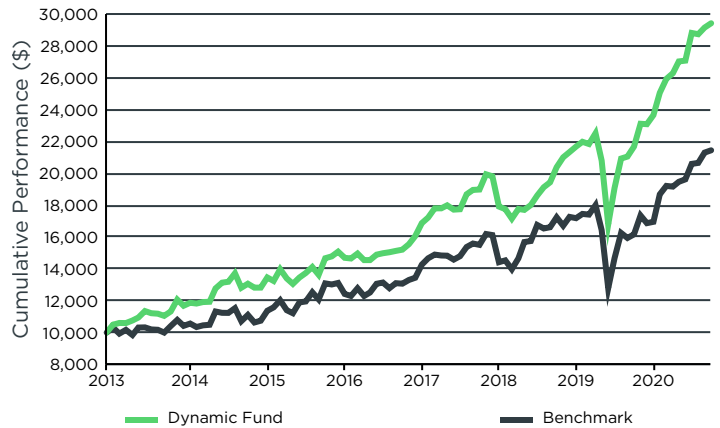
Performance was led by diversified miner IGO (22.0%). Final quarter production results beat expectations reflecting better nickel, copper and especially lithium prices. Seven Group (14.3%) – the owner of Westrac, Coates Hire and a stake in Beach Energy – has now accumulated 70% of building materials group Boral. Incredibly, Seven has achieved effective control of up to ~\$5bn in available cash for distribution. Macquarie Telecom (27.9%) announced a major data centre expansion. Exposures which detracted from performance were investment platform HUB24 (-15.6%) which had run hard and gold miner Evolution Mining (-7.1%).

Reporting season provides a great opportunity to reconnect with portfolio company management teams and reassess our investment thesis. The inevitable volatility will also be sure to uncover some hidden gems. We expect boards to be more reluctant than normal in providing quantitative guidance, which means fundamental research and industry meetings will continue to be essential. Our overall expectations remain constructive which should underpin continued strength in equities.

To view Milford's August 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	To provide capital growth by outperforming the relevant share market index over the minimum recommended investment timeframe.
Description	Primarily invests in small to mid-cap Australasian equities
Minimum recommended investment timeframe	8 years
Target Allocation	10% Income Assets / 90% Growth Assets
Neutral FX Exposure	0%
Net Asset Value (NAV)	\$815.0 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%

	Lower risk					Higher risk	
Risk Indicator	1	2	3	4	5	6	7
	Potentially lower returns			Potentially higher returns			

Dynamic Fund as at 31 July 2021

Investment Performance after fees as at 31 July 2021⁴

Unit Price: \$2.9067

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	0.93%	2.12%	35.73%	15.72%	14.94%	14.77%
After Tax 10.50%	0.86%	2.02%	35.60%	15.71%	14.88%	14.70%
After Tax 17.50%	0.81%	1.95%	35.51%	15.70%	14.85%	14.65%
After Tax 28.00%	0.74%	1.85%	35.38%	15.69%	14.79%	14.58%
Benchmark	0.68%	4.14%	32.62%	11.40%	10.37%	10.23%

Top Security Holdings

Holdings	% of Fund
Seven Group	4.12%
Virgin Money	4.10%
Collins Foods	4.06%
IGO	3.37%
Evolution Mining	3.01%
Contact Energy	2.90%
Sealink Travel	2.85%
Lifestyle Communities	2.74%
Credit Corp	2.58%
EBOS Group	2.47%

Current Asset Allocation

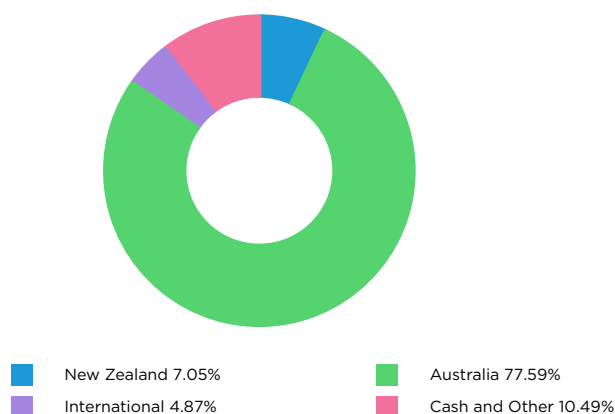
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	9.35%	10%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	8.90%	0%
Australian Equities	80.61%	90%
International Equities	0.00%	0%
Other	1.14%	0%

The actual cash held by the Fund is 9.35%. 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	15.81%
Consumer Discretionary	15.75%
Financials	14.27%
Real Estate	9.12%
Health Care	6.94%
Industrials	6.86%
Communication Services	6.77%
Information Technology	6.37%
Energy	3.29%
Utilities	2.90%
Consumer Staples	1.43%
Cash and Other	10.49%

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.

Disclaimer: The Milford Fund Fact Sheet has been prepared by Milford Funds Limited. It is based on information believed to be accurate and reliable although no guarantee can be given that this is the case. No reproduction of any material either in part or in full is permitted without prior permission. For more information about the Fund, please refer to the Production Disclosure Statement or the latest Quarterly Fund Update.