

# Dynamic Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 December 2019



## Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Michael Higgins**  
Portfolio Manager

After what was a consistently volatile 12 months, 2019 was a strong year for the Fund having delivered a 27.3% return against the Small Ordinaries benchmark return of 21.5%. December provided a lacklustre conclusion down 0.6% for the month.

December performance was led by gold miner Northern Star Resources (+17.9%) which rallied post the highly accretive part-acquisition of the Western Australian Super Pit mine; payments company SmartPay (+24.4%) continued its strong run following the proposed sale of its highly valued and strategic NZ operations; and mortgage aggregator Australian Financial Group (+9.6%) rounded out our top performers for the month.

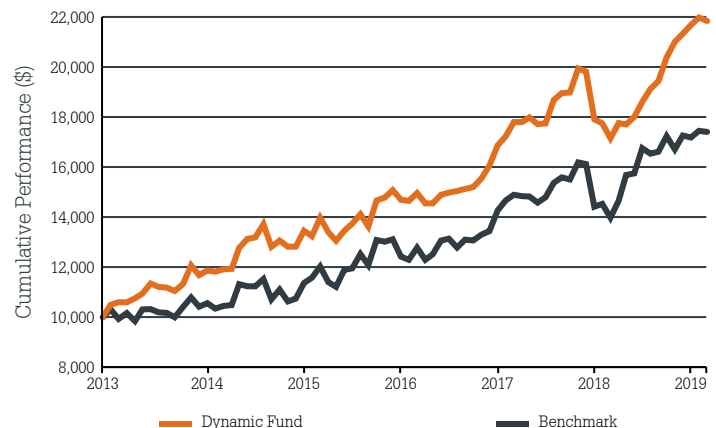
Laggards included panel beating consolidator AMA Group (-27.8%) following a weak trading update citing lower volumes due to dry conditions and declining new car sales. We are confident these issues won't be ongoing. Credit Corp and Collins Food were weak on no specific news.

While our recent performance has been strong, the market remains volatile. We remain cognisant that we are in a period of elevated uncertainty with a broad range of potential market moving scenarios in play. While it is too early to position strongly for an upswing in global growth, with the trade truce and of course Brexit, we are cautiously optimistic into 2020.

To view Milford's January 2020 Market and Economic Review please see [milfordasset.com/fact-sheet](http://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

<b>Objective<sup>1</sup></b>	Capital growth by out-performing the relevant share market index over a minimum of five years
<b>Description</b>	Primarily invests in small to mid-cap Australasian equities
<b>Target Allocation</b>	10% Income Assets / 90% Growth Assets
<b>Neutral FX Exposure</b>	0%
<b>Net Asset Value (NAV)</b>	\$295.8 M
<b>Buy-sell Spread</b>	None
<b>Inception Date</b>	1 October 2013
<b>Benchmark</b>	S&P/ASX Small Ordinaries (TR) Index (100% NZD-hedged)
<b>Base Fund Fee<sup>2</sup></b>	1.35%
<b>Performance Fee</b>	15% of the Fund's returns above the Benchmark <sup>1</sup> , subject to the high watermark.
<b>Total Fund Fees<sup>3</sup></b>	1.35%
<b>Risk Indicator</b>	<div style="display: flex; justify-content: space-between;"> <span>Lower risk</span> <span>Higher risk</span> </div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> <span>1</span> <span>2</span> <span>3</span> <span>4</span> <span style="font-size: 2em;">5</span> <span>6</span> <span>7</span> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <span>Potentially lower returns</span> <span>Potentially higher returns</span> </div>

Investment Performance after fees as at 31 December 2019<sup>4</sup>

Unit Price: \$2.1606

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	-0.63%	2.38%	27.31%	13.44%	12.88%	13.31%
After Tax 10.50%	-0.67%	2.31%	27.40%	13.38%	12.75%	13.21%
After Tax 17.50%	-0.70%	2.27%	27.45%	13.34%	12.67%	13.15%
After Tax 28.00%	-0.74%	2.21%	27.53%	13.27%	12.55%	13.05%
Benchmark	-0.24%	0.84%	24.52%	10.84%	10.73%	9.27%

## Top Security Holdings

Holdings	% of Fund's NAV
Credit Corp Group	3.58%
Northern Star Resources	3.36%
Australian Finance Group	3.20%
Seven Group Holdings	2.97%
EML Payments	2.89%
Bapcor	2.85%
IDP Education	2.77%
EQT Holdings	2.61%
Collins Foods	2.50%
EBOS Group	2.48%

## Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	9.07%	10.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	13.40%	0%
Australian Equities	75.77%	90.00%
International Equities	0.00%	0%
Other	1.76%	0%

## Sector Exposure

Allocation	Weight %
Consumer Discretionary	17.65%
Financials	13.89%
Information Technology	11.28%
Real Estate	9.15%
Materials	9.07%
Health Care	8.07%
Industrials	7.61%
Communication Services	3.97%
Other Sectors	8.48%
Cash and Other	10.83%

## Region Exposure



■ New Zealand 13.89%
 ■ Australia 74.29%
 ■ International 0.99%
 ■ Cash and Other 10.83%

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](http://milfordasset.com/fact-sheet) for more information about the data published within this document.

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