



What is the purpose of this update?

This document tells you how the Milford Dynamic Fund ('Fund') has performed and what fees were charged. The document will help you to compare the fund with other funds.

Milford Funds Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

The Fund's objective is to provide capital growth after the base fund fee but before tax and before the performance fee, by out-performing the relevant share market index over the minimum recommended investment timeframe of five years.

It primarily invests in small to mid-cap Australasian equities.

Total value of the fund	\$228,565,913
The date the fund started	1 October 2013

What are the risks of investing?

Risk indicator for the Milford Dynamic Fund



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-kickstarter.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the five years to 31 March 2020. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates. See Note 1 at the end of this Fund Update.

See the Product Disclosure Statement ('PDS') for more information about the risks associated with investing in this fund.

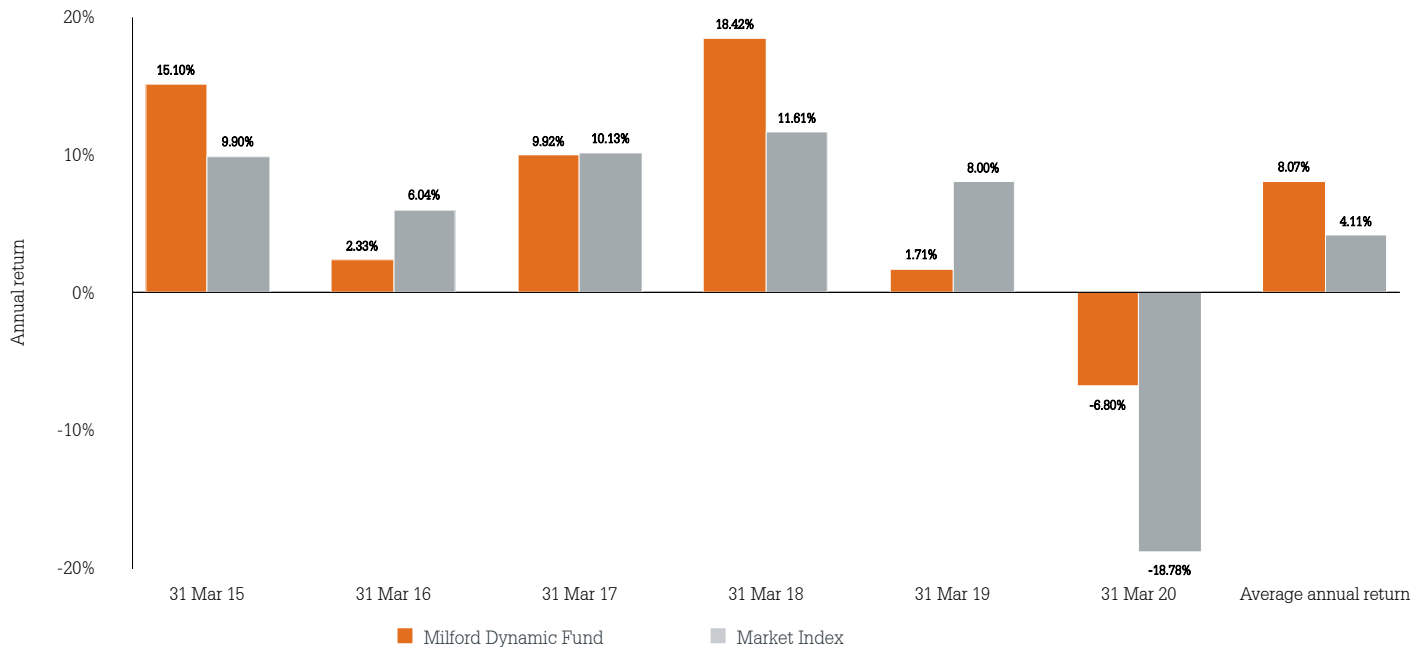
How has the fund performed?

	Average over past 5 years	Past year
Annual return (after deductions for charges and tax)	4.77%	-6.80%
Annual return (after deductions for charges but before tax)	5.03%	-6.75%
Market index annual return (reflects no deduction for charges and tax)	2.72%	-18.78%

We are required to disclose an appropriate market index as comparison. The market index return is a composite of benchmark index returns weighted for the Fund’s target investment mix. The market index return is before tax and fees.

For more information on the market index, please refer to the Statement of Investment Policy and Objectives for the Milford Investment Funds, which can be found at www.milfordasset.com/forms-documents or on the offer register at www.disclose-register.companiesoffice.govt.nz.

Annual Return Graph



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 31 March 2020.

The Fund returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

The market index return is before tax and fees.

Important: This does not tell you how the fund will perform in the future.

What fees are investors charged?

Investors in the Fund are charged fund charges. In the year to 31 March 2020 these were:

	% of net asset value
Total fund charges	2.32%
<i>which are made up of:</i>	
Total management and administration charges (Base fund fee)	1.35%
<i>including:</i>	
Manager's basic fee ²	1.34%
Other management and administration charges (estimate) ³	0.01%
Total performance-based fees	0.97%

Milford is unable to determine the fund charges charged by some non-related underlying funds within the 'other management and administration charges' so these charges have been estimated. It is not expected that these charges will be material. See Note 3 at the end of this Fund Update.

See the PDS for more information about the basis on which performance fees are charged.

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds) although these are not currently charged. See the PDS for the Milford Investment Funds on the offer register at www.disclose-register.companiesoffice.govt.nz for more information about those fees.

Example of how this applies to an investor

Small differences in fees and charges can have a big impact on your investment over the long term.

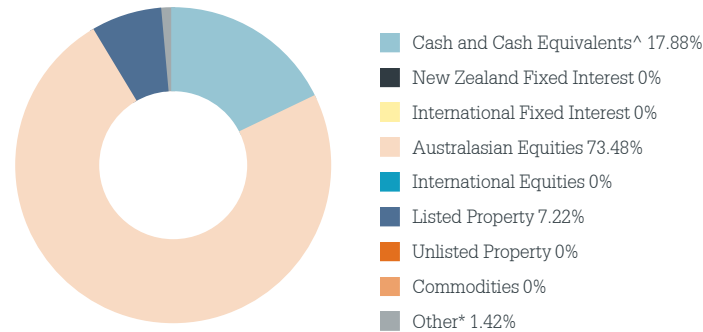
Joshua had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year,

Joshua incurred a loss after fund charges were deducted but before tax of \$675 (that is -6.75% of his initial \$10,000). Joshua did not have to pay other charges. This gives Joshua a total loss after fund charges and tax of \$680 for the year.

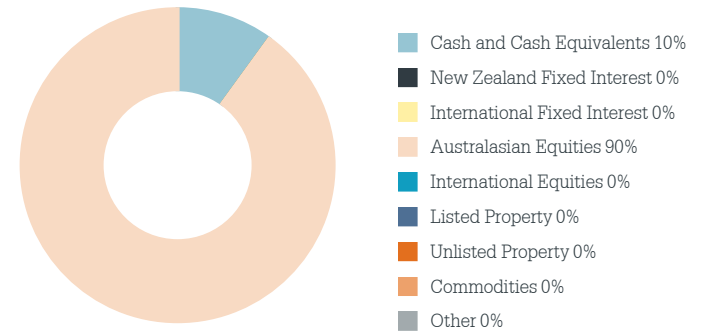
What does the Fund invest in?

This shows the types of assets that the Fund invests in as at 31 March 2020.

Actual Investment Mix⁴



Target investment mix⁵



[^] The actual cash held by the Fund is 17.15%. * Other includes currency derivatives used to manage foreign exchange risk.

Currency hedging

The Fund's foreign currency exposure is actively managed, with the neutral currency exposure being 0%.

Top 10 Investments⁶

Name	% of fund net assets	Type	Country	Credit rating (if applicable)
1 AUD Cash Current Account (NAB Bank)	9.18%	Cash and cash equivalents	Australia	AA-
2 NZD Cash Current Account (NAB Bank)	8.00%	Cash and cash equivalents	New Zealand	AA-
3 IPH Limited	3.97%	Australasian equities	Australia	
4 Saracen Mineral Holdings Ltd	3.77%	Australasian equities	Australia	
5 Coles Group Ltd	3.67%	Australasian equities	Australia	
6 Evolution Mining Ltd	3.49%	Australasian equities	Australia	
7 a2 Milk Company Ltd	3.45%	Australasian equities	New Zealand	
8 Collins Foods Ltd	3.07%	Australasian equities	Australia	
9 Fisher & Paykel Healthcare Ltd	3.00%	Australasian equities	New Zealand	
10 EBOS Group Ltd	2.90%	Australasian equities	New Zealand	

The total value of the 10 individual assets as a percentage of the net asset value of the Fund is 44.50%.

Key personnel

Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
William Curtayne	Portfolio Manager	6 years, 6 months	Senior Analyst at Milford Asset Management, New Zealand	2 years, 8 months
Michael Higgins	Portfolio Manager	2 years	Senior Analyst at Milford Asset Management, New Zealand	1 year, 2 months

Further information

You can also obtain this information, the PDS for the Milford Investment Funds and some additional information from the offer register at www.disclose-register.companiesoffice.govt.nz.

Have any questions? If so, please visit www.milfordasset.com or phone 0800 662 345.

Notes

- The risk indicator has been calculated on the basis of five years of historic fund returns where available, and market index returns where required. Hence, the returns data used may not represent a full investment cycle for the Fund and the risk category may be different if calculated using a longer timeframe. If the period of returns used reflected an environment of unusually low or unusually high volatility, the risk indicator may not reflect the Fund's future volatility.
- Milford charges a capped management fee that covers normal fund operating costs such as investment management, supervisor, custodial, fund accounting, audit and legal costs. For disclosure requirements, supervisor, audit and legal costs have been removed from the capped management fees to provide the manager's basic fee. These have been included in other management and administration charges.
- If Milford is unable to determine the non-related underlying fund charges, these have been estimated from recent financial statements based on the actual costs as a percentage of the average net asset value that were charged for the fund's previous financial year. These are reflected in the prices of the external funds that are used in the calculation of the unit price of the Fund.
- The actual investment mix incorporates the notional exposure value of equity derivatives and credit default swaps, where applicable. These may increase or decrease the reported Cash and Cash Equivalents.
- The target investment mix indicates what are expected to apply over the course of an economic cycle, and should be considered as general only. Any target for Listed Property is based on a specific decision to hold listed property as against incidental exposure from investing in equity markets. Milford is an active manager and may at times deploy investment strategies that differ (within the allowable minimum and maximum bounds) materially from the targets.
- If we invest into any non-related underlying funds, the Top 10 Investments will only show the total investment in those funds, not the individual assets it holds.