

Dynamic Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 March 2019



Portfolio Managers



William Curtayne
Portfolio Manager



Michael Higgins
Portfolio Manager

The Fund returned 1.7% for the month against our benchmark which rose 0.4%. The small cap market consolidated strong gains over the first two months of the year, despite a slowing global growth outlook. Following the rally, valuations are elevated with the Small Industrials Index now trading at a 11% premium to its 5-year average.

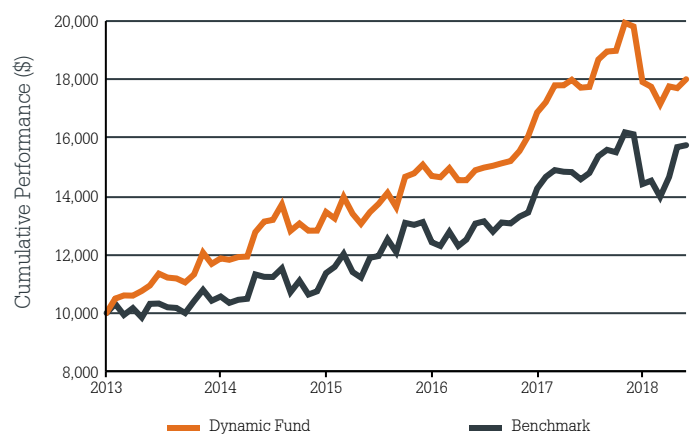
Performance was led by companies such as Collins Foods (+12.6%), Contact Energy (+13.0%) and Afterpay Touch (+13.6%). Collins Foods' main assets are KFC franchises in Australia, Germany and the Netherlands. It is not a high growth business, but it is defensive and manages to achieve reasonable growth each year by opening and acquiring new stores. Near-term growth should be tracking above average as it rolls out a delivery option across the network. Contact Energy was supported by the RBNZ signal of lower rates in the future. Afterpay Touch rallied on high US expectations following increasingly bullish data points. Laggards included Seven Group (-7.5%), Bapcor (-8.6%) and Smartgroup (-6.6%).

The Fund remains conservatively positioned, believing better opportunities to deploy capital on the long side will present themselves in the weeks and months ahead. In the meantime, we'll continue searching for attractive company specific opportunities that can prosper regardless of the broader economy.

To view Milford's April 2019 Market and Economic Review please [click here](#).

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)	\$217.9 M
Buy-sell Spread	None
Inception Date	1 October 2013

Benchmark	S&P/ASX Small Industrials Accumulation 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	<div style="display: flex; justify-content: space-between;"> Lower risk Higher risk </div> <div style="text-align: center;"> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> Potentially lower returns Potentially higher returns </div>

Investment Performance after fees as at 31 March 2019⁴

Unit Price: \$1.7829

	3 Months	6 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	4.98%	-9.11%	1.63%	10.20%	9.67%	11.29%
After Tax 10.50%	5.09%	-9.10%	1.66%	10.06%	9.53%	11.19%
After Tax 17.50%	5.16%	-9.10%	1.68%	9.96%	9.43%	11.12%
After Tax 28.00%	5.26%	-9.09%	1.71%	9.81%	9.29%	11.02%
Benchmark	12.66%	-2.31%	8.00%	9.80%	8.80%	8.61%

Top Security Holdings

Holdings	% of Fund's NAV
Collins Foods	3.53%
Credit Corp Group	3.01%
Seven Group Holdings	2.88%
Smartgroup Corp	2.83%
Evolution Mining	2.79%
Aristocrat Leisure	2.70%
Afterpay Touch Group	2.66%
Contact Energy	2.63%
EQT Holdings	2.63%
AUB Group	2.62%

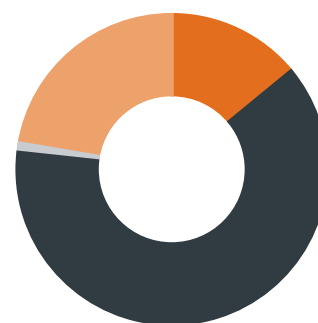
Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	22.32%	10.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	11.81%	0%
Australian Equities	65.87%	90.00%
International Equities	0.00%	0%
Other	0.00%	0%

Sector Exposure

Allocation	Weight %
Consumer Discretionary	15.87%
Industrials	14.89%
Financials	14.08%
Information Technology	10.00%
Materials	7.32%
Consumer Staples	4.02%
Utilities	3.81%
Real Estate	3.01%
Other Sectors	4.68%
Cash and Other	22.32%

Country Exposure



■ New Zealand 14.06%
 ■ Australia 62.65%
 ■ International 0.97%
 ■ Cash and Other 22.32%

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' [here](#) for more information about the data published within this document.

Level 28, 48 Shortland Street, Auckland
 PO Box 960, Shortland Street, Auckland 1140
 Free phone 0800 662 345
 milfordasset.com

