

Dynamic Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 May 2019



Portfolio Managers



William Curtayne
Portfolio Manager



Michael Higgins
Portfolio Manager

We were pleased to deliver a return of 2.8% in May, outperforming the small cap industrial benchmark return of -1.3%. The 4.1% outperformance was led by a number of our companies that either announced positive updates or were beneficiaries of the Coalition victory in the Australian election.

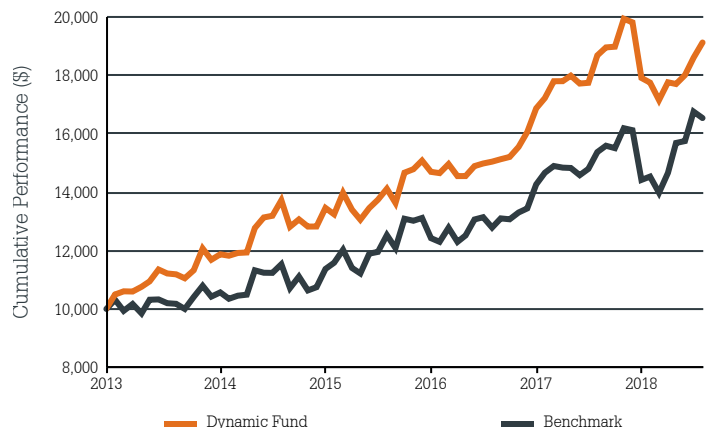
Performance was led by companies such as mortgage broker AFG (+39.6%), offshore payments provider EML (+33.7%), gold miner Evolution Mining (+21.3%) and fast food retailer Collins Foods (+6.7%). The Coalition victory is generally positive for most sectors of the economy, but most keenly felt across housing related companies such as AFG which generate earnings from mortgage volumes. Labor's policies were expected to add further pressure to house prices given the proposed changes to negative gearing and capital gains tax. EML rallied on the announcement of an accretive acquisition and a multi-year contract win.

Detractors for the month included travel company Webjet (-11.9%), Bluescope Steel (-21.6%) and Afterpay (-5.6%). While we expect the Coalition government to provide a degree of stability to the Australian economy in the near term, we still favour offshore earners which provide a degree of insulation from the low growth nature of the domestic economy. We'll continue searching for attractive company specific opportunities that can prosper regardless of the broader economy.

To view Milford's June 2019 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)	\$228.6 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;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between;"> Potentially lower returns Potentially higher returns </div>

Investment Performance after fees as at 31 May 2019⁴

Unit Price: \$1.8934

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	2.80%	8.03%	2.37%	10.66%	11.32%	12.13%
After Tax 10.50%	2.81%	8.01%	2.42%	10.56%	11.18%	12.03%
After Tax 17.50%	2.82%	8.00%	2.45%	10.49%	11.08%	11.97%
After Tax 28.00%	2.84%	7.98%	2.50%	10.39%	10.94%	11.88%
Benchmark	-1.31%	5.44%	7.57%	9.69%	10.20%	9.29%

Top Security Holdings

Holdings	% of Fund's NAV
Bapcor	4.09%
Collins Foods	3.49%
Credit Corp Group	3.47%
Australian Finance Group	3.17%
IDP Education	3.04%
Afterpay Touch Group	3.03%
Evolution Mining	2.85%
Seven Group Holdings	2.77%
EQT Holdings	2.73%
Contact Energy	2.65%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	13.38%	10.00%
New Zealand Fixed Interest	0.00%	0.00%
International Fixed Interest	0.00%	0.00%
New Zealand Equities	12.06%	0.00%
Australian Equities	74.56%	90.00%
International Equities	0.00%	0.00%
Other	0.00%	0.00%

Sector Exposure

Allocation	Weight %
Consumer Discretionary	18.07%
Financials	14.20%
Industrials	13.92%
Information Technology	12.09%
Materials	9.17%
Real Estate	6.62%
Utilities	3.58%
Health Care	3.43%
Other Sectors	5.54%
Cash and Other	13.38%

Country Exposure



■ New Zealand 13.67%
 ■ Australia 71.96%
 ■ International 0.99%
 ■ Cash and Other 13.38%

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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