

Dynamic Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 August 2019



Portfolio Managers



William Curtayne
Portfolio Manager



Michael Higgins
Portfolio Manager

We were pleased to deliver a positive performance of 3.0% in August, outperforming the small cap industrial benchmark return of -3.1%. The 6.1% outperformance was led by a number of our key longer-term stock picks such as Australian Finance Group (+16.0%), Wellcom (+29.3%), EML Payments (18.8%) and Credit Corp (+16.6%) in addition to some of the more exciting new additions to the Fund over the past six months such as Polynovo (+26.9%) and Nanosonics (+21.1%).

Australian Finance Group rallied on the announced acquisition of mortgage aggregator Connective. If regulatory hurdles are overcome, the combined businesses will write 1 in 5 of all residential loans in Australia once complete. Wellcom received a takeover offer for a 32% premium, rounding out a 18% p.a. return since we first invested in 2013. Other domestically exposed businesses rallied on signs that the housing downturn may have stabilised.

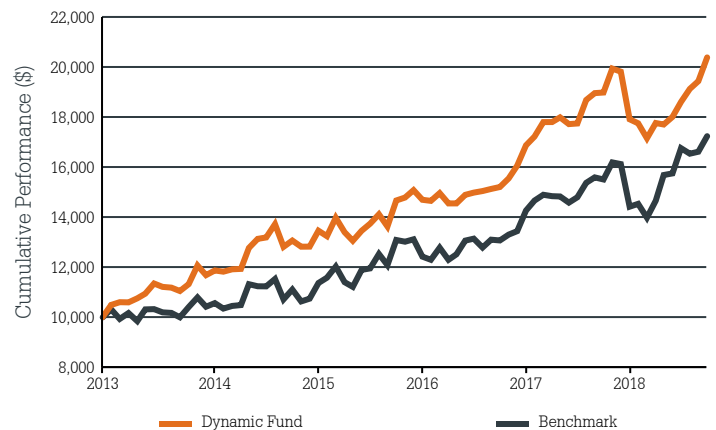
Detractors for the month included two NZ growth companies which downgraded future guidance and were treated accordingly; a2Milk (-19.8%) and cinema software company Vista Group (-34.8%).

With the market selling off strongly early in the month (-7.2%), we took the opportunity to increase our equity exposure. The strategy worked well given we added more weight to our core positions which subsequently performed well. We are now sitting at a more fully invested position at the beginning of September.

To view Milford's September 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)	\$260.8 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;"> Potentially lower returns Potentially higher returns </div>

Investment Performance after fees as at 31 August 2019⁴

Unit Price: \$2.0786

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	3.05%	9.82%	5.35%	12.42%	11.71%	13.36%
After Tax 10.50%	3.11%	9.87%	5.38%	12.37%	11.57%	13.28%
After Tax 17.50%	3.15%	9.91%	5.39%	12.34%	11.48%	13.23%
After Tax 28.00%	3.21%	9.96%	5.42%	12.30%	11.33%	13.15%
Benchmark	-3.05%	1.05%	3.22%	8.67%	9.13%	9.07%

Top Security Holdings

Holdings	% of Fund's NAV
Credit Corp Group	3.66%
Australian Finance Group	3.63%
Collins Foods	3.30%
Wellcom Group	3.15%
IDP Education	2.96%
Bapcor	2.93%
Contact Energy	2.91%
EQT Holdings	2.80%
Charter Hall Group	2.71%
EML Payments	2.59%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	10.00%	10.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	12.55%	0%
Australian Equities	77.45%	90.00%
International Equities	0.00%	0%
Other	0.00%	0%

Sector Exposure

Allocation	Weight %
Consumer Discretionary	17.78%
Financials	14.12%
Information Technology	12.27%
Real Estate	12.20%
Industrials	12.09%
Health Care	6.24%
Materials	4.06%
Utilities	3.83%
Other Sectors	7.41%
Cash and Other	10.00%

Country Exposure



■ New Zealand 14.35%
 ■ Australia 74.11%
 ■ International 1.54%
 ■ Cash and Other 10.00%

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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