

# Dynamic Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 30 September 2019



## Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Michael Higgins**  
Portfolio Manager

The Fund returned 1.6% for September, rounding out a strong 18.5% return for the half. Following a short-lived sell-off in August, confidence reappeared with the small cap index rising 3.3% for the month.

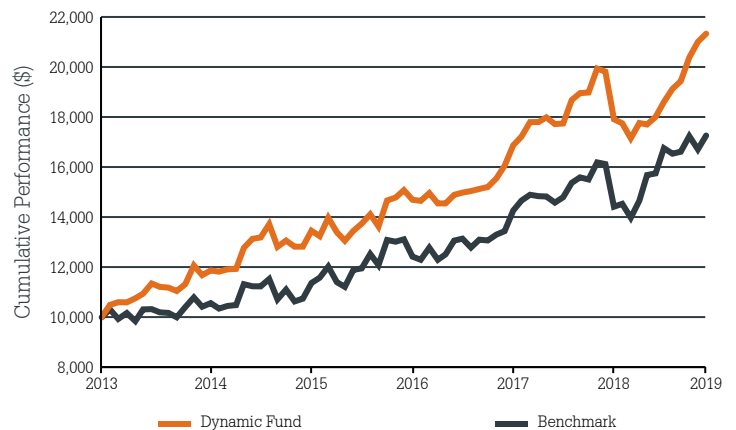
Winners for the month comprised a broad mix of our core stalwart positions including KFC retailer Collins Foods (+16.0%), retirement village operator Lifestyle Communities (+10.6%) and fintech and payments provider EML Payments (+11.4%). Collins was a beneficiary of strong passive buying as it was included in the ASX 200 Index. Given the atypical stock demand, we took the opportunity to take profits as its share price approached fair value. Detractors for the month included a2 Milk (-8.2%) which continues to sell-off on concerns around the quantum of investment required to retain top line growth and gold producer Evolution Mining (-12.5%).

While our recent performance has been strong, the market remains volatile with powerful swings from value and momentum occurring frequently. From a portfolio management perspective, we are holding more companies at smaller weights than usually would be the case. This seems prudent given global uncertainties and a lack of direction from the market. Despite the uncertainty, we continue to focus on companies with excellent multi-year growth outlooks and those we consider good value with resilience through the cycle.

To view Milford's October 2019 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>	\$265.6 M
<b>Buy-sell Spread</b>	None
<b>Inception Date</b>	1 October 2013
<b>Benchmark</b>	S&P/ASX Small Industrials Accumulation 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="text-align: center;"> <span>1</span> <span>2</span> <span>3</span> <span style="color: orange;">4</span> <span>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 30 September 2019<sup>4</sup>

Unit Price: \$2.1106

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	1.56%	9.77%	7.66%	12.26%	12.79%	13.46%
After Tax 10.50%	1.51%	9.78%	7.70%	12.22%	12.66%	13.37%
After Tax 17.50%	1.47%	9.79%	7.73%	12.20%	12.56%	13.31%
After Tax 28.00%	1.42%	9.81%	7.77%	12.16%	12.43%	13.22%
Benchmark	3.30%	3.90%	7.08%	9.59%	10.61%	9.53%

## Top Security Holdings

Holdings	% of Fund's NAV
Credit Corp Group	3.79%
Bapcor	3.46%
Australian Finance Group	3.30%
Wellcom Group	3.14%
Contact Energy	2.92%
EML Payments	2.86%
IDP Education	2.79%
EQT Holdings	2.70%
Charter Hall Group	2.27%
a2 Milk Company	2.22%

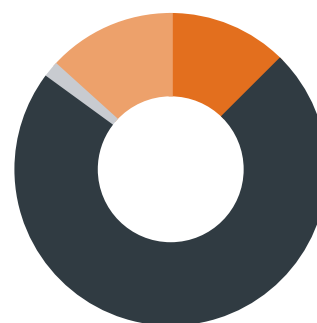
## Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	13.31%	10.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	12.48%	0%
Australian Equities	74.21%	90.00%
International Equities	0.00%	0%
Other	0.00%	0%

## Sector Exposure

Allocation	Weight %
Consumer Discretionary	15.56%
Financials	14.84%
Industrials	11.25%
Real Estate	10.82%
Information Technology	10.27%
Health Care	6.11%
Materials	4.23%
Utilities	3.90%
Other Sectors	9.71%
Cash and Other	13.31%

## Country Exposure



■ New Zealand 12.52%
 ■ Australia 72.50%
 ■ International 1.67%
 ■ Cash and Other 13.31%

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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