

# Dynamic Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 October 2019



## Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Michael Higgins**  
Portfolio Manager

The Fund returned 1.6% in October, rounding out a strong 21.0% return for year. The 2.1% outperformance against our small cap benchmark was led by a number of our core stalwart positions, which have all been in the portfolio for more than 2 years.

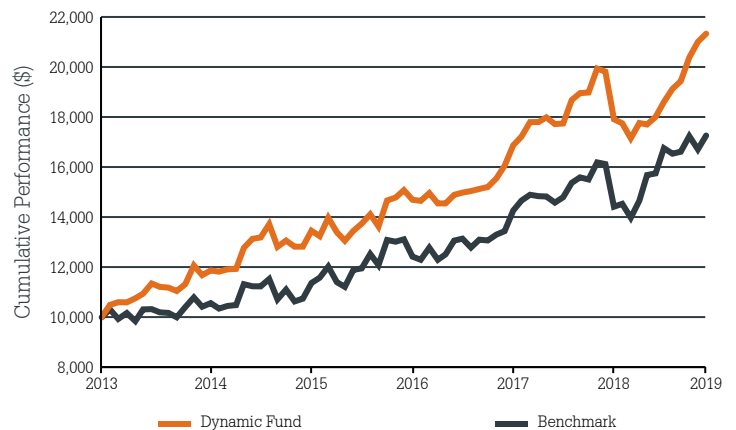
This includes mortgage broker and aggregator AFG (+22.7%), international student placement and high-stakes English language testing provider IDP Education (+14.3%) and panel beater AMA Group (+14.3%). AFG has had a stellar year having rallied 110% over the prior 12 months. While we have recently taken some profits to manage position size, we still like the medium-term outlook and exposure to a stabilising property market. Detractors for the month included Contact Energy (-13.6%) on the viability of Tiwai Point aluminium smelter and EML payments (-6.8%) having delivered over 150% return over the prior 12 months.

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 November 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>	\$272.4 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 31 October 2019<sup>4</sup>

Unit Price: \$2.1448

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	1.62%	6.35%	21.02%	13.84%	12.80%	13.56%
After Tax 10.50%	1.66%	6.41%	21.15%	13.81%	12.66%	13.48%
After Tax 17.50%	1.69%	6.44%	21.23%	13.78%	12.57%	13.43%
After Tax 28.00%	1.74%	6.50%	21.35%	13.75%	12.44%	13.35%
Benchmark	-0.46%	-0.31%	19.16%	11.41%	10.21%	9.31%

## Top Security Holdings

Holdings	% of Fund's NAV
Credit Corp Group	3.83%
Australian Finance Group	3.75%
Bapcor	3.27%
AMA Group	3.18%
IDP Education	3.10%
Wellcom Group	3.05%
EQT Holdings	2.73%
EML Payments	2.59%
Northern Star Resources	2.29%
Charter Hall Group	2.14%

## Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	11.01%	10.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	11.29%	0%
Australian Equities	77.70%	90.00%
International Equities	0.00%	0%
Other	0.00%	0%

## Sector Exposure

Allocation	Weight %
Consumer Discretionary	16.08%
Financials	14.46%
Industrials	11.89%
Real Estate	11.66%
Information Technology	10.24%
Health Care	6.65%
Materials	5.94%
Communication Services	4.35%
Other Sectors	7.72%
Cash and Other	11.01%

## Country Exposure



■ New Zealand 11.28%      ■ Australia 76.51%  
■ International 1.20%      ■ Cash and Other 11.01%

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.

Level 28, 48 Shortland Street, Auckland  
 PO Box 960, Shortland Street, Auckland 1140  
 Free phone 0800 662 345  
[milfordasset.com](http://milfordasset.com)

