

# Dynamic Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 January 2020



## Portfolio Managers



**William Curtayne**  
Portfolio Manager



**Michael Higgins**  
Portfolio Manager

The Australian market had an optimistic start to the year, before giving up some gains as the coronavirus emerged as a serious concern. The Fund returned 3.1% for the month, slightly underperforming the Small Ordinaries benchmark.

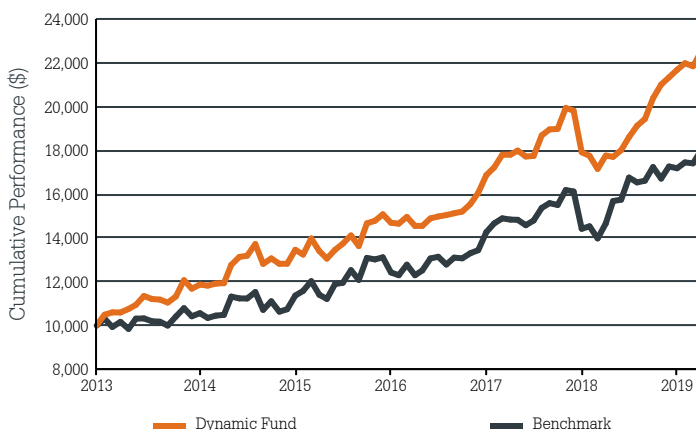
The performance was led by Australasian and US debt collector Credit Corp (+14.9%) which delivered a strong first half result with upgraded debt purchasing guidance. While Credit Corp is up over 50% in the last 12 months, we continue to like the medium-term expansion opportunity in the US; Charter Hall Group (+16.1%) continued its strong performance having upgraded guidance materially in December; and the global payments provider EML Payments (+15.9%) announced it had won a tender to provide its reloadable card program to NSW Health. Laggards included SeaLink (-10.1%) after the bushfires impacted its Kangaroo Island operations. We bought more given the diversification Transit Systems bus operations provides since it was acquired in December; Collins Foods (-4.2%) sold-off on general market volatility.

While we expect coronavirus to provide a degree of instability for financial markets, these events are generally temporary, which can provide opportunities to find oversold companies. In the coming month we have half-year results which should expose some further opportunities to reinvest our capital. We remain cautiously optimistic into 2020.

To view Milford's February 2020 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>	\$317.1 M
<b>Buy-sell Spread</b>	None
<b>Inception Date</b>	1 October 2013
<b>Benchmark</b>	S&P/ASX Small Ordinaries (TR) 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>4</span> <span style="font-size: 1.5em;">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 January 2020<sup>4</sup>

Unit Price: \$2.2272

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	3.09%	3.85%	26.74%	15.67%	13.53%	13.66%
After Tax 10.50%	3.06%	3.72%	26.70%	15.60%	13.36%	13.56%
After Tax 17.50%	3.05%	3.63%	26.66%	15.56%	13.25%	13.50%
After Tax 28.00%	3.03%	3.50%	26.62%	15.49%	13.07%	13.40%
Benchmark	3.40%	4.75%	22.78%	13.54%	11.40%	9.72%

## Top Security Holdings

Holdings	% of Fund's NAV
Credit Corp Group	3.97%
Australian Finance Group	3.25%
Bapcor	3.16%
Seven Group Holdings	3.05%
EML Payments	2.78%
Collins Foods	2.68%
IDP Education	2.66%
EQT Holdings	2.57%
Northern Star Resources	2.50%
Evolution Mining	2.48%

## Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	7.94%	10.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	13.34%	0%
Australian Equities	76.49%	90.00%
International Equities	0.00%	0%
Other	2.23%	0%

## Sector Exposure

Allocation	Weight %
Consumer Discretionary	18.49%
Financials	14.54%
Information Technology	11.40%
Real Estate	9.60%
Materials	8.54%
Industrials	8.18%
Health Care	8.11%
Communication Services	4.28%
Other Sectors	6.69%
Cash and Other	10.17%

## Region Exposure



■ New Zealand 13.93%
 ■ Australia 75.04%
 ■ International 0.86%
 ■ Cash and Other 10.17%

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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