

Dynamic Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 29 February 2020



Portfolio Managers



William Curtayne
Portfolio Manager



Michael Higgins
Portfolio Manager

February saw big sell-offs in the Australian share market as the coronavirus spread globally. The Fund was down 7.6%, compared with the 8.7% fall in the Small Ordinaries Index.

Having concluded that there was a high probability the virus would spread globally, we moved to de-risk the Fund by selling over-valued shares and holding more cash. In addition, we diversified into companies that could benefit from the virus such as Fisher & Paykel Healthcare who manufacture respiratory support technology, and companies that remain unaffected by the virus like global patent attorney IPH.

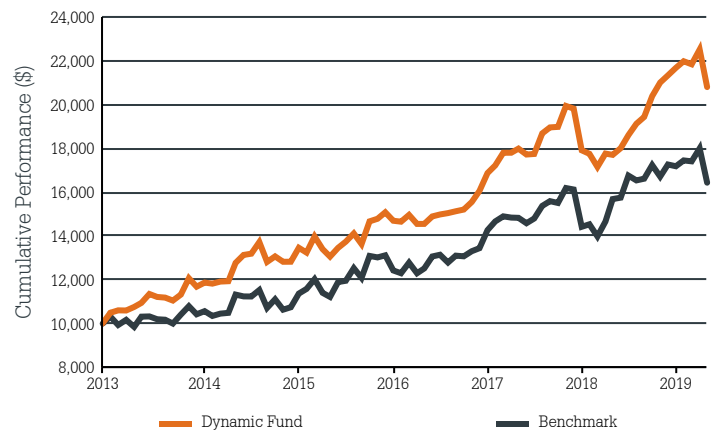
Winners for the month included Gold miners Evolution (+11.3%) and Northern Star (+6.8%) as the Australian dollar came under pressure and the gold price rallied on increased uncertainty; infant formula company a2 Milk increased by 8.7%, solidifying its status as a premium consumer staple for families; and IDP Education was up by 19.6% after it delivered an upgrade. Underperformers included EML payments (-31.2%) which missed the markets lofty expectations. We reduced our position in AMA Group (-42.9%) reflecting increased financial risks after a poor-quality result.

We've entered March positioned cautiously with an elevated cash position of about 17%. We continue to rotate into quality companies with minimal debt, expecting that this will provide some resistance to weather further volatility.

To view Milford's March 2020 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)	\$294.9 M
Buy-sell Spread	None
Inception Date	1 October 2013
Benchmark	S&P/ASX Small Ordinaries (TR) 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="display: flex; justify-content: center; align-items: center; gap: 10px;"> 1 2 3 4 5 6 7 </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> Potentially lower returns Potentially higher returns </div>

Investment Performance after fees as at 29 February 2020⁴

Unit Price: \$2.0574

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	-7.62%	-5.37%	17.48%	12.64%	10.24%	12.09%
After Tax 10.50%	-7.59%	-5.40%	17.38%	12.57%	10.11%	12.00%
After Tax 17.50%	-7.58%	-5.42%	17.32%	12.53%	10.03%	11.94%
After Tax 28.00%	-7.55%	-5.46%	17.22%	12.47%	9.91%	11.84%
Benchmark	-8.70%	-5.83%	4.77%	9.49%	7.73%	8.05%

Top Security Holdings

Holdings	% of Fund's NAV
Credit Corp Group	3.68%
Collins Foods	3.17%
Bapcor	3.09%
Australian Finance Group	3.03%
Seven Group Holdings	2.87%
Evolution Mining	2.84%
Charter Hall Group	2.78%
Northern Star Resources	2.75%
EQT Holdings	2.74%
a2 Milk Company	2.73%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Cash and Cash Equivalents	16.94%	10.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	14.41%	0%
Australian Equities	68.59%	90.00%
International Equities	0.00%	0%
Other	0.06%	0%

Sector Exposure

Allocation	Weight %
Consumer Discretionary	14.31%
Financials	13.83%
Real Estate	11.37%
Health Care	9.24%
Information Technology	8.68%
Materials	8.13%
Industrials	6.71%
Consumer Staples	4.35%
Other Sectors	6.38%
Cash and Other	17.00%

Region Exposure



■ New Zealand 14.30% ■ Australia 68.60%
■ International 0.10% ■ Cash and Other 17.00%

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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