

Dynamic Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 March 2020



Portfolio Managers



William Curtayne
Portfolio Manager



Michael Higgins
Portfolio Manager

The Australian Small Ordinaries index sold-off sharply in March, down 22.2%. Our move to de-risk the Fund last month by moving to cash and favouring potential winners from the lockdown provided some support against the sell-off with the fund finishing down 19.3%.

Fisher & Paykel Healthcare rallied 17.8% as global demand for respiratory technology increased, key consumer staples provided some support with a2 Milk and Coles both finishing up 5.5% and 6.7% respectively. Another winner included MNF Group (+17.3%). MNF generates revenue from increased telecom usage and the collaboration licenses required to work from home effectively.

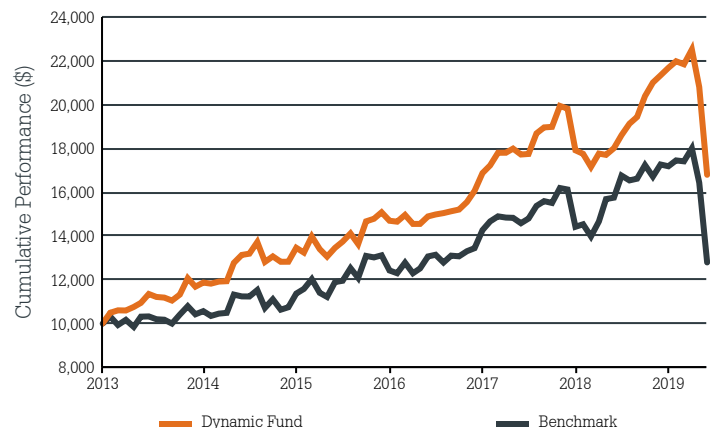
With more than 135 companies walking away from earnings guidance in March, we unsurprisingly had more losers than winners. Key underperformers included Credit Corp (-57.8%) which sold off on the risk of a material rise in unemployment which could impact the collectability of debts. While the Australian Government's announced Job Seeker and Job Keeper stimulus payments have positive implications, we reduced our position given elevated financial risks. AFG (-45.4%) sold-off on the COVID-19 impact to property markets.

We've entered April positioned cautiously with an elevated cash position of around 18%. 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 April 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)	\$228.6 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; align-items: center;"> 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 31 March 2020⁴

Unit Price: \$1.6608

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	-19.26%	-23.11%	-6.75%	4.08%	5.03%	8.30%
After Tax 10.50%	-19.25%	-23.09%	-6.77%	4.02%	4.94%	8.21%
After Tax 17.50%	-19.24%	-23.08%	-6.78%	3.99%	4.87%	8.16%
After Tax 28.00%	-19.23%	-23.07%	-6.80%	3.93%	4.77%	8.07%
Benchmark	-22.15%	-26.51%	-18.78%	-0.70%	2.62%	3.86%

Top Security Holdings

Holdings	% of Fund's NAV
IPH	3.97%
Saracen Mineral Holdings	3.77%
Coles Group	3.67%
Evolution Mining	3.49%
a2 Milk Company	3.45%
Collins Foods	3.07%
Fisher & Paykel Healthcare	3.00%
EBOS Group	2.90%
Sealink Travel Group	2.82%
EML Payments	2.75%

Current Asset Allocation

	Actual Investment Mix	Neutral Investment Mix
Effective Cash [#]	17.88%	10.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	14.22%	0%
Australian Equities	66.48%	90.00%
International Equities	0.00%	0%
Other	1.42%	0%

[#] The actual cash held by the Fund is 17.15%. Effective Cash reported above is adjusted to reflect the Fund's notional positions (e.g. derivatives used to increase or reduce market exposure).

Sector Exposure

Allocation	Weight %
Materials	11.18%
Financials	10.37%
Consumer Discretionary	10.21%
Information Technology	10.12%
Consumer Staples	9.20%
Health Care	8.35%
Real Estate	7.22%
Industrials	7.08%
Other Sectors	6.97%
Cash and Other	19.30%

Region Exposure



■ New Zealand 13.98%
 ■ Australia 66.53%
 ■ International 0.19%
 ■ Cash and Other 19.30%

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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