

Dynamic Fund

Portfolio Investment Entity

Monthly Fact Sheet as at 31 May 2020



Portfolio Managers



William Curtayne
Portfolio Manager



Michael Higgins
Portfolio Manager

The S&P/ASX Small Ordinaries rallied strongly in May, up 10.8% taking the rally since the market low on 23 March to an incredible 45.9%. The Fund returned 9.7% for the month, and 9.4% for the latest year versus the benchmark performance of -1.7%. We were pleased our stock picking kept us within reach this month given our overall defensive positioning.

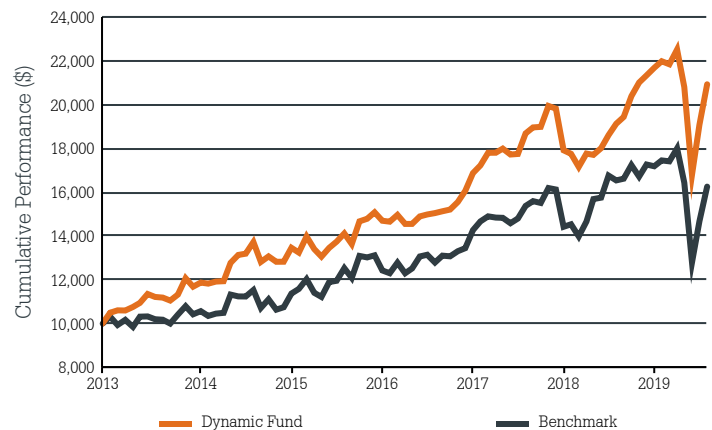
Once again, performance was led by gold mining companies Saracen and Evolution which rallied 17.7% and 19.4% respectively. As Australia's active Covid-19 cases continue to decline, companies exposed to the reopening of the economy led a strong recovery. Our exposure to domestic cyclical companies such as retirement community developer Lifestyle Communities (+26.0%), transit and tourism operator SeaLink (+16.6%) and car parts distributor Bapcor (+17.2%) led the recovery. We were particularly pleased with Sealink and Bapcor after materially increasing our positions during the recent sell off. EML Payments (+29.5%) also rebounded strongly as shopping malls reopened.

We are encouraged by Australia's response to Covid-19 and the reopening of the economy. While it will take time to return to pre-Covid levels, we think there are areas of opportunity across domestic cyclicals. In many cases, small capitalisation companies are the best place to gain this exposure. Volatility in the months ahead will deliver increased opportunities to generate outperformance.

To view Milford's June 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)	\$311.3 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 <div style="text-align: center;"> <p>1 2 3 4 5 6 7</p> <p>Potentially lower returns Potentially higher returns</p> </div> Higher risk </div>

Investment Performance after fees as at 31 May 2020⁴

Unit Price: \$2.0695

	1 Month	3 Months	1 year	3 years (p.a.)	5 years (p.a.)	Since inception (p.a.)
Milford Dynamic Fund (Gross Of Tax)	9.67%	0.62%	9.41%	11.62%	8.80%	11.71%
After Tax 10.50%	9.69%	0.67%	9.40%	11.61%	8.69%	11.63%
After Tax 17.50%	9.71%	0.70%	9.39%	11.61%	8.61%	11.58%
After Tax 28.00%	9.72%	0.75%	9.38%	11.60%	8.50%	11.50%
Benchmark	10.76%	-1.09%	-1.72%	8.32%	7.10%	7.56%

Top Security Holdings

Holdings	% of Fund's NAV
Evolution Mining	5.51%
Saracen Mineral Holdings	4.69%
Sealink Travel Group	3.34%
Collins Foods	3.23%
Bapcor	2.94%
EML Payments	2.91%
EQT Holdings	2.88%
IPH	2.86%
HUB24	2.82%
Lifestyle Communities	2.35%

Current Asset Allocation

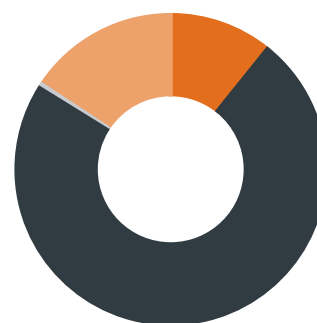
	Actual Investment Mix	Neutral Investment Mix
Effective Cash #	15.74%	10.00%
New Zealand Fixed Interest	0.00%	0%
International Fixed Interest	0.00%	0%
New Zealand Equities	10.88%	0%
Australian Equities	73.38%	90.00%
International Equities	0.00%	0%
Other	0.00%	0%

The actual cash held by the Fund is 15.82%. 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 %
Consumer Discretionary	14.66%
Materials	14.48%
Information Technology	11.50%
Financials	10.21%
Real Estate	9.49%
Communication Services	6.46%
Industrials	5.65%
Health Care	5.44%
Other Sectors	6.37%
Cash and Other	15.74%

Region Exposure



■ New Zealand 10.78% ■ Australia 73.04%
■ International 0.44% ■ Cash and Other 15.74%

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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