



Investment and Performance Objective

This Fund provides a concentrated portfolio of Australasian securities managed for absolute performance over time. The Aggressive Fund has a target return (benchmark) of 10% (after fees and before tax) per annum over a minimum 3-5 year investment horizon period.

Performance to 31/12/09 (after fees and before tax)

	Past Month	Past 1 Year	Past 2 Years	Since Inception
Aggressive Fund	+1.8%	+21.1%	+23.2%	+32.2%
Benchmark	+0.8%	+10.0%	+21.0%	+23.9%
NZX Gross Index	+3.3%	+18.9%	(20.1%)	(24.6%)

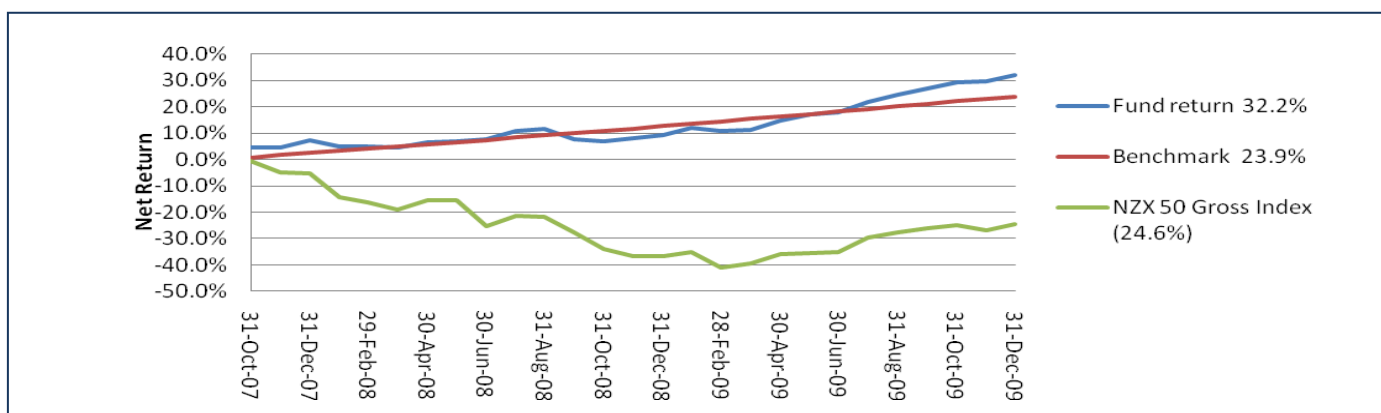
Comment on our market view and the Fund's current strategy

Global sharemarkets levelled off in the latter part of 2009, taking a breather after the extensive recovery in the earlier part of the year. A healthy recovery is currently priced into equity markets at present although there is the possibility of some market jitters as monetary and fiscal stimulus begins to come off in the US. The portfolio is still conservatively positioned as we attempt to identify quality companies that have good growth prospects, strong competitive positions, are well managed and attractively valued.

Holdings

Company	Holding	Company	Holding
Restaurant Brands	5.5%	Guinness Peat Group	1.5%
SkyCity	4.0%	Mainfreight	1.4%
Abano	3.9%	Pyne Gould Corporation	1.4%
Delegat's	3.9%	Santos	1.3%
Tower	3.5%	Methven	0.9%
New Zealand Exchange	3.5%	Kathmandu	0.9%
Fletcher Building	3.4%	Turners Auctions	0.9%
National Aus Bank	3.1%	Pumpkin Patch	0.9%
Westpac	3.0%	Rakon	0.8%
Air New Zealand	2.6%	Wakefield Hospital	0.7%
Auckland Airport	2.5%	Comvita	0.6%
PGG Wrightsons	2.4%	Diligent	0.3%
CSL	2.4%	Various Holdings	0.7%
NZ Oil & Gas	2.0%	Cash & Bonds	42.0%

Investment Performance (returns are since inception, before tax & after fees)



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Top Contributors for month

Company	Return
New Zealand Exchange	+20.4%
Restaurant Brands	+15.1%
Delegat's	+12.5%

Top Detractors for month

Company	Return
Diligent	(28.6%)
Wakefield	(6.9%)
Kathmandu	(4.7%)

Comment on the out and under performers:

The New Zealand Exchange announced a 3:1 share split during the month with holders receiving 3 additional shares for each original share that they held at the record date. Following the split New Zealand Exchange shares continued to perform strongly. Restaurant Brands continued an outstanding run during December, finishing up around 160% for 2009. Restaurant Brands released their interim report in December showing strong benefits from the upgrades to existing stores and a continued trend of margin expansion in the KFC business. Delegat's moved higher over December on no substantial news. Diligent retraced some of its previous gains but continues to gain new clients and has a strong growth story leading into 2010. Wakefield lost a little ground during December on no substantial news ahead of releasing its interim results in early January. Kathmandu fell during December on no adverse news.

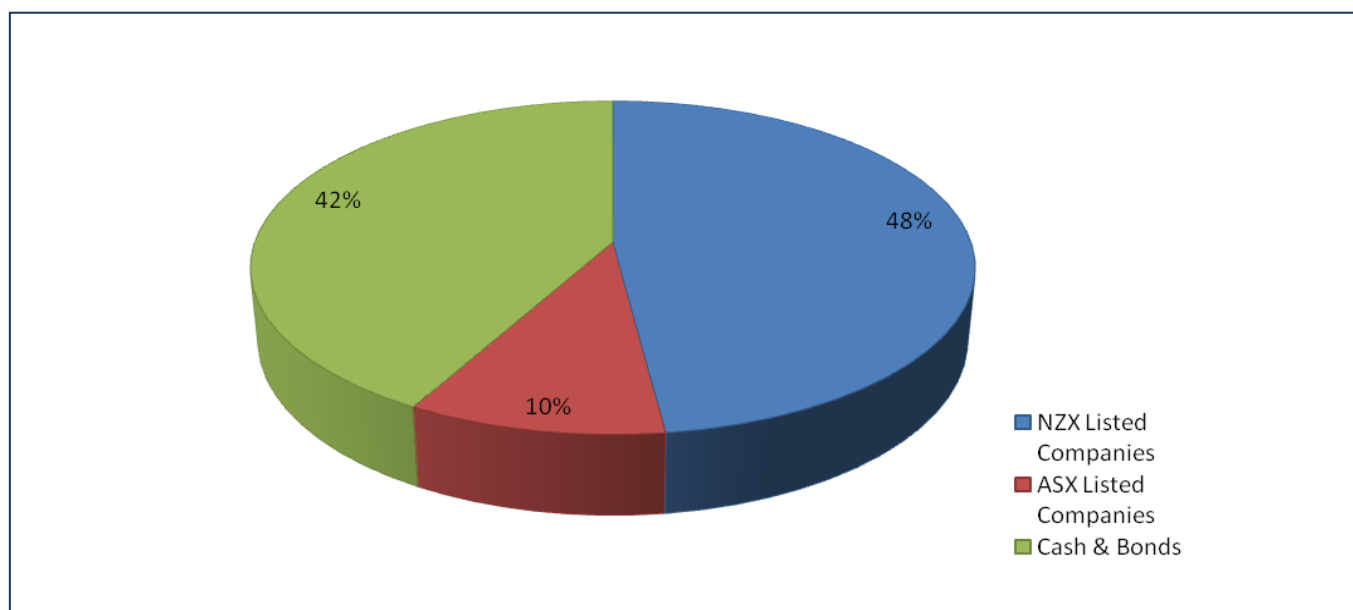
Comment on Stocks Bought During the Month

During the month the fund added Rakon and Woodside to the portfolio. Rakon was added to the portfolio following positive management guidance, pointing to an increase in demand for their microchips that are used in small cellular base stations (similar to wireless routers) as well as an increasing exposure to the smartphone market. Woodside was added through an equity raising that the fund participated in. Woodside launched a \$2.5bn equity raising after cost over runs of more than \$1.1bn at the Pluto development in Western Australia. The equity was issued at a 10% discount to the closing price prior to the announcement.

Comment on Stocks exiting from the fund during the Month

No positions were exited during the month.

Portfolio Mix (current fund size \$67.9million)



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