



The Milford Aggressive Fund

Client Update

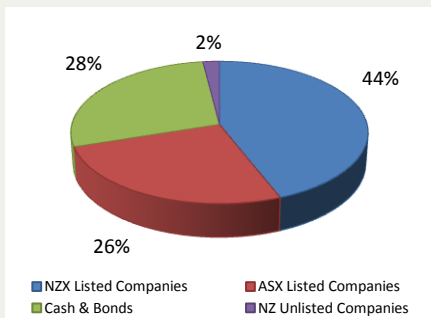
April 2011

Portfolio Manager



Brian Gaynor

Portfolio Mix



Fund Size

\$158 million at 31/03/2011

Fees

1.05% capped annual fee plus a Performance Fee equal to 15% of returns above 10% (after fees & before tax).

Investment Objective

The Fund invests in Australasian securities and has a targeted return of 10% (after fees & before tax) p.a. over a minimum 5 year horizon.

Dear Fellow Investors

Your fund appreciated by 0.8% in March, its fourth consecutive monthly gain. The fund has had a positive return in eight of the past nine months, consistent with the New Zealand stock exchange's benchmark index, the NZX50 Gross Index.

However the fund underperformed the domestic sharemarket's benchmark index during March mainly because the exposure to the Australian sharemarket was increased from 24% to 28% and the ASX did not perform as well as the NZX during the month. In addition a number of our New Zealand holdings had a disappointing month, particularly Air New Zealand and Rakon.

We believe that the increased exposure to the Australian sharemarket will benefit the fund's performance in the medium term because the outlook across the Tasman is more positive. There are a number of reasons for this including our neighbour's ability to continue to take advantage of the strong Chinese economy, its more diverse economy, higher population growth and more dynamic business sector.

The second Christchurch earthquake is a major setback for the domestic economy because it will place the spotlight on our escalating level of debt, particularly Government borrowings. The following table gives us a snapshot view of our borrowings by sector.

Total gross debt by sector

(\$b)	Latest	Year ago	2 years ago
Agriculture	47.8	47.4	44.4
Business - NZ	73.2	73.4	80.5
-Overseas	71.7	71.3	72.9
Individuals	183.5	180.8	175.6
Government	63.4	49.4	40.7
	439.6	422.3	414.1

Total borrowings are \$439.6 billion at present or 226% of GDP. Unfortunately these figures only includes business borrowings from domestic financial institutions and from offshore and do not include the issue of bonds or fixed interest securities to other investors.

The problem facing New Zealand and the domestic sharemarket is that Government debt will either increase significantly as a result of the Christchurch earthquake or there will have to be a substantial cutback in its current spending programmes. We believe that the latter is inevitable and this will put further pressure on the domestic economy.

In light of this your fund's exposure to the Australian sharemarket will increase over the next month.

Brian Gaynor

Disclosure of interest: Brian Gaynor and his immediate family have \$317,000 invested in the Fund at the 31 March unit price.

Level 9, Shortland Chambers, 70 Shortland Street
PO Box 960, Shortland Street, Auckland
Telephone 09 921 4700 Facsimile 09 921 4709

Level 16, 157 Lambton Quay
PO Box 5191, Wellington
Telephone 04 915 9333 Facsimile 09 921 4709

Disclaimer: This Milford Fund Update has been prepared by Milford Funds Limited. It is based on information believed to be accurate and reliable although no guarantee can be given that this is the case. Clients of Milford Funds Limited may have an interest or holding in companies and securities mentioned in this report. No reproduction of any material either in part or in full is permitted without prior permission. For more information about the Fund please refer to the Milford Unit Trust PIE Investment Statement.

www.milfordasset.com

MilfordFundsLimited



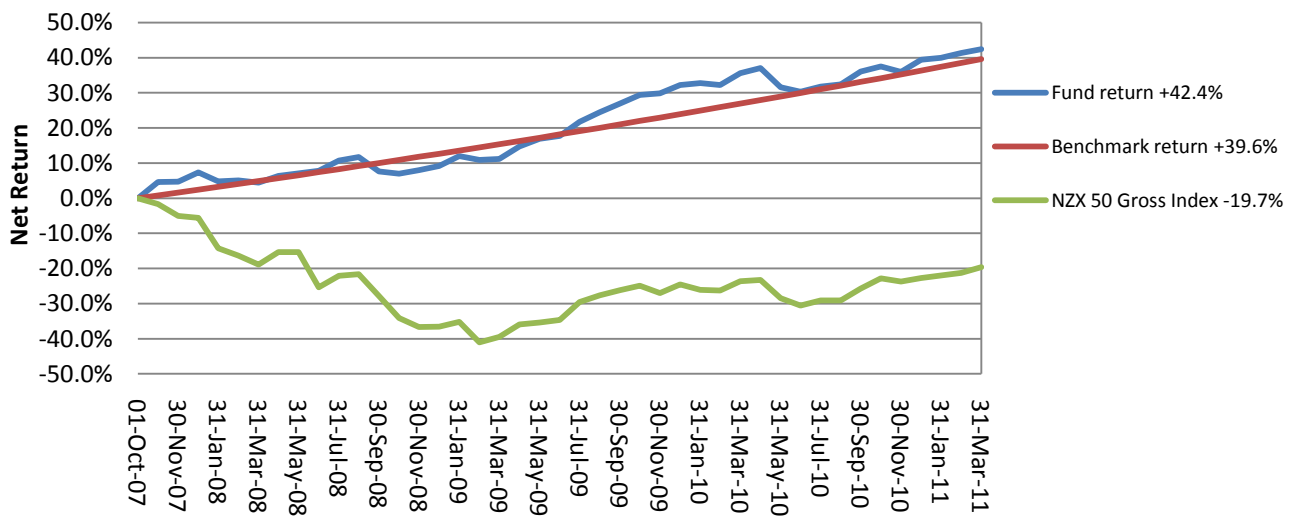
April 2011

Milford Aggressive Fund Client Update

Performance to 31 March 2011 (after fees and before tax)

	Past Month	Past 1 Year	Past 2 Years	Past 3 Years	Since Inception 1 October 2007
Milford Aggressive Fund	+0.8%	+5.0%	+28.1%	+36.3%	+42.4%
Benchmark	+0.8%	+10.0%	+21.0%	+33.1%	+39.6%
Over / Under Benchmark	+0.0%	(5.0%)	+7.1%	+3.2%	+2.8%
NZX 50 Gross Index	+2.1%	+5.3%	+32.8%	(0.9%)	(-19.7%)

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



Holdings

Company	Holding	Company	Holding
Ryman Healthcare	3.9%	Iluka Resources Ltd	1.7%
Restaurant Brands	3.8%	Origin Energy	1.7%
Fletcher Building Limited	3.7%	Mainfreight	1.6%
Tower	3.4%	Resmed Inc	1.4%
Telecom	2.9%	Macquarie Group	1.4%
Sky TV	2.7%	Skellerup Ltd	1.4%
Rakon	2.0%	GPG	1.3%
Air New Zealand	1.8%	Auckland International Airport	1.3%
Kauri Property Fund Limited	1.8%	Diligent Board Member Services	1.3%
Delegat's	1.8%	Seek	1.3%
Salvus	1.8%	CSL Ltd	1.2%
Turners Auctions	1.8%	Sky City	1.2%
Santos	1.8%	AMP	1.1%
News Corp	1.7%	Various other holdings*	16.9%
Wesfarmers	1.7%	Cash and Bonds	28.6%

*Holdings of 1.1% or less have been combined into 'Various other holdings'.

Level 9, Shortland Chambers, 70 Shortland Street
PO Box 960, Shortland Street, Auckland
Telephone 09 921 4700 Facsimile 09 921 4709

Level 16, 157 Lambton Quay
PO Box 5191, Wellington
Telephone 04 915 9333 Facsimile 09 921 4709

Disclaimer: This Milford Fund Update has been prepared by Milford Funds Limited. It is based on information believed to be accurate and reliable although no guarantee can be given that this is the case. Clients of Milford Funds Limited may have an interest or holding in companies and securities mentioned in this report. No reproduction of any material either in part or in full is permitted without prior permission. For more information about the Fund please refer to the Milford Unit Trust PIE Investment Statement.

www.milfordasset.com

MilfordFundsLimited

