



The Milford Aggressive Fund

Client Update

March 2010

Portfolio Manager



Brian Gaynor

Dear Fellow Investors

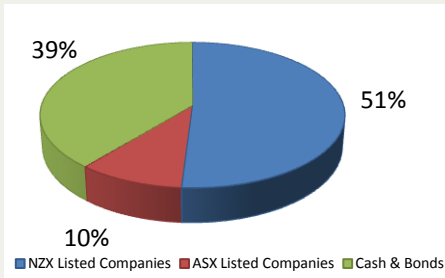
The 2009/10 tax year ended on a strong note with the Fund's value rising by 2.5% in March and by 21.9% for the full year (after fees and before tax). The Fund's performance has been particularly pleasing on an after-tax basis as demonstrated by the following table.

Fund's performance – After fees & tax

	30.0% tax rate	19.5% tax rate
March 2010 year		
Pre-tax return	+21.9%	+21.9%
After-tax return	+22.1%	+22.4%
Since inception		
Pre-tax return	+35.5%	+35.5%
After-tax return	+32.9%	+34.5%

Inception was on 1 October 2007

Portfolio Mix



The after-tax return was higher than the pre-tax return for the March 2010 year because of the benefits of imputation credits received on New Zealand dividends. As all tax is accounted within a Portfolio Investment Entity (PIE) then individuals, who have invested for the full year, will receive a small number of additional units in the next few weeks because of the higher after-tax returns. These new units will be issued automatically.

Fund Size

\$78 Million at 31/03/2010

Investment and Performance Objective

This Fund invests in a 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 five year investment horizon period.

As far as the first 2½ years of the Fund is concerned investors on a 30.0% tax rate had a return of 32.9% (after all fees and tax) and those on a 19.5% tax rate had a 34.5% return. The NZX50 Gross Index had a negative return of 23.7% over the same 2½ year period. It is important to note that these PIEs are tax efficient because of their ability to utilise imputation credits and the maximum tax rate is 30.0%, even for those investors who are on a marginal tax rate in excess of this.

During the month we acquired a 16.9% stake in the listed investment company Salvus Strategic Investment. Most of the shares were purchased at \$0.70, a 30% discount on Salvus' net asset backing of \$1.00 per share at the time. We believe that Salvus has yet to achieve its full potential and Milford will be looking at ways it can help the company achieve this.

As the Fund grows it will look at further opportunities to take meaningful positions in other undervalued companies. However it is important to note that the Salvus investment represents only 3.7% of the total Fund and the Fund's strategy is to have a well diversified portfolio with no one investment having a dominant position.

Brian Gaynor

Disclosure of interest; Brian Gaynor and his immediate family have \$201,000 invested in the Fund at the latest unit price.

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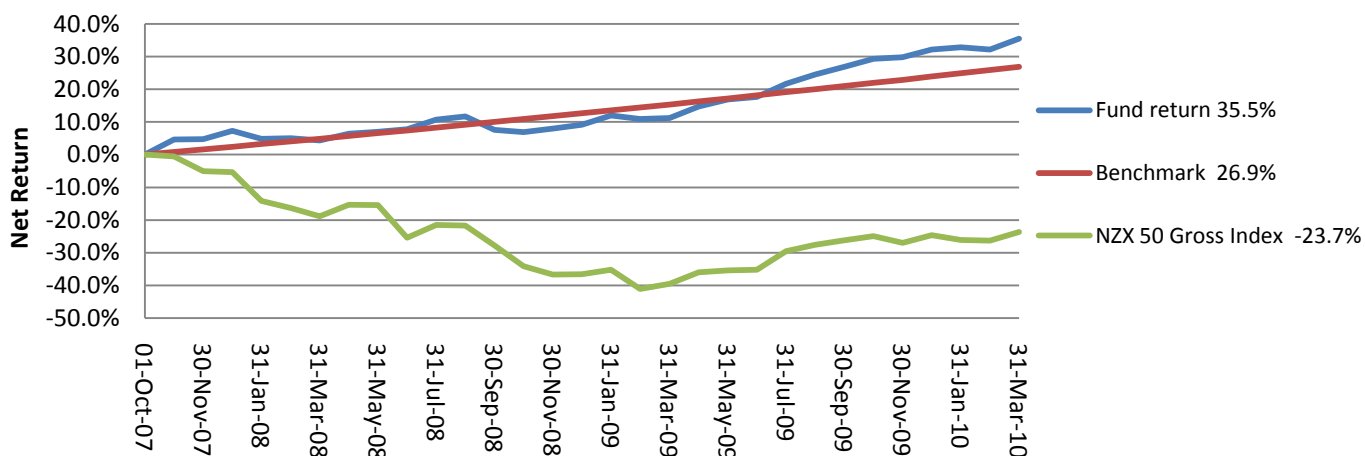


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Performance to 31 March 2010 (after fees and before tax)

	Past Month	Past 1 Year	Past 2 Years	Since Inception
Aggressive Fund	+2.5%	+21.9%	+29.8%	+35.5%
Benchmark	+0.8%	+10.0%	+21.0%	+26.9%
Vs Benchmark	+1.7%	+11.9%	+8.8%	+8.6%

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



Holdings

Company	Holding	Company	Holding
Restaurant Brands	5.4%	Pyne Gould Corporation	1.2%
Tower	4.3%	Turners Auctions	1.2%
Salvus	3.7%	PGG Wrightson	1.2%
Air New Zealand	3.6%	Diligent	1.2%
Sky City	3.3%	Auckland Airport	1.1%
New Zealand Exchange	3.2%	Kathmandu	1.0%
Westpac	3.0%	NZ Oil and Gas	0.9%
Fletcher Building	2.9%	Comvita	0.9%
Abano	2.9%	Methven	0.9%
National Aus Bank	2.8%	Pumpkin Patch	0.8%
CSL	2.4%	Healthscope	0.7%
Delegat's	2.3%	Wakefield Health	0.6%
Rakon	2.2%	Millenium & Copthorne	0.3%
Hallenstein Glasson	1.9%	NZ Farming Systems Uruguay	0.3%
GPG	1.6%	Various other holdings	0.3%
Mainfreight	1.4%	Cash and Bonds	39.3%
Downer	1.2%		

