



The Milford Aggressive KiwiSaver Fund Client Update

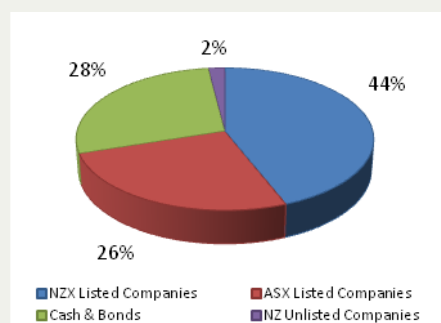
April 2011

Portfolio Manager



Brian Gaynor

Portfolio Mix



Fund Size

\$20.6 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). There is also a \$36 p.a. member administration fee.

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: Milford staff have \$245,000 invested in the Aggressive KiwiSaver Fund at the 31 March unit price.

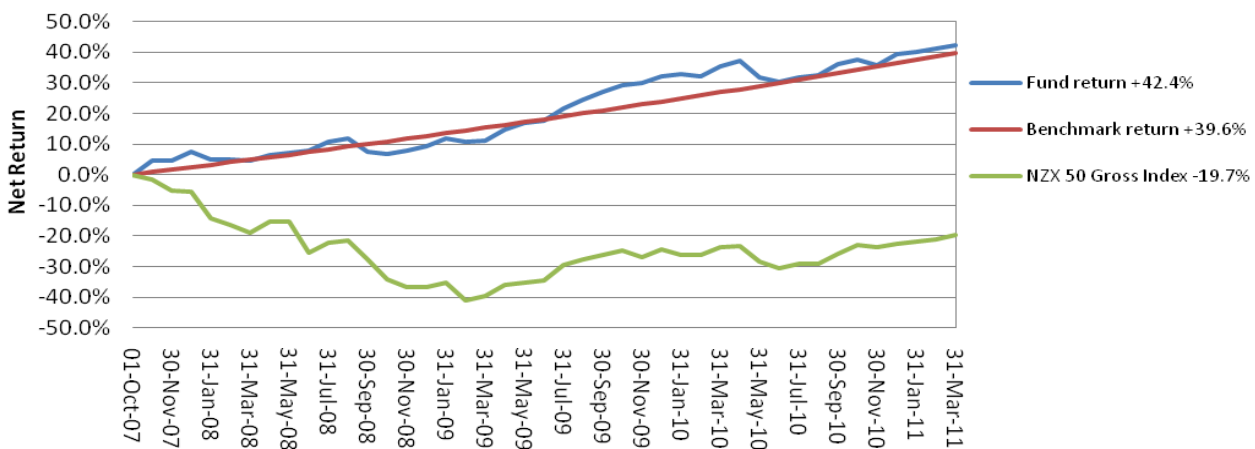


Performance to 31 March 2011 (after fees and before tax)

	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%)

* The performance is based on the performance of the AonSaver AMT Milford Aggressive Fund until 31/3/2010 and the Milford Aggressive KiwiSaver Fund from 1/4/2010. The investment policy of the Milford Aggressive KiwiSaver Fund replicates that of the AonSaver AMT Milford Aggressive Fund, in place since 1 October 2007. For both periods the underlying fund the KiwiSaver fund invested into was the Milford Aggressive Unit Trust Fund

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'.

