



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 31/10/09 (after fees and before tax)

	Past Month	Past Year	Since Inception
Aggressive Fund	1.9%	21.0%	29.3%
Benchmark	0.8%	10.0%	22.0%
NZX Gross Index	1.7%	14.0%	-24.9%

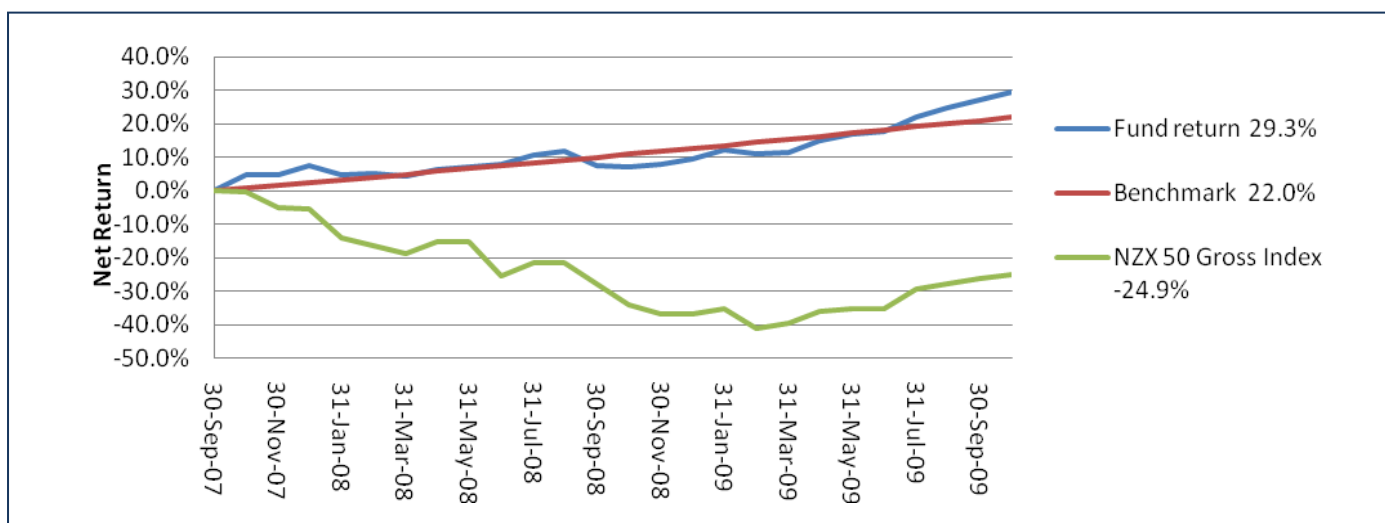
Comment on our market view and the Fund’s current strategy

We believe that the markets are going to remain fairly volatile for the remainder of this year and leading into 2010. The domestic economy continues to stabilise as companies decrease their reliance on debt and manage costs. As the economy improves we intend to reduce the Fund’s exposure to cash and bonds and increase holdings in attractively valued companies. We remain focussed on identifying well managed companies that have fallen out of favour with investors.

Holdings

Company	Holding	Company	Holding
Restaurant Brands	5.9%	CSL	1.8%
Abano	4.4%	Mainfreight	1.7%
National Aus Bank	4.0%	Pyne Gould Corporation	1.6%
Delegat’s	3.7%	Telstra	1.5%
New Zealand Exchange	3.6%	Santos	1.2%
SkyCity	3.6%	Turners Auctions	1.2%
Tower	3.5%	Wakefield Hospital	1.0%
Westpac	3.3%	Pumpkin Patch	0.9%
Fletcher Building	2.8%	Comvita	0.6%
Air New Zealand	2.7%	Diligent	0.5%
Methven	2.0%	Various small holdings	1.5%
GPG	1.8%	Cash & Bonds	45.2%

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



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Top Contributors for month

Company	Return
Diligent	+110.0%
Restaurant Brands	+20.3%
Turners Auctions	+13.3%

Top Detractors for month

Company	Return
CSL	-5.9%
Abano	-5.1%
National Aus Bank	-3.0%

Comment on the out and under performers:

Restaurant Brands continued to rise as it reported net profit of \$9.2m for the first half of its February 2010 year. KFC continues to be the leading contributor to Restaurant Brands success and management is focused on turning around the Pizza Hut division. Turners Auctions continued to benefit from the demise of a large number of used car dealers. Diligent has made good progress in terms of signing up new customers.

CSL and National Australia Bank were adversely impacted by the fall in the ASX, which was down 1.9% compared to the NZX, which was up 1.7% for October. On an individual stock basis, CSL declined because of the sharp rise in the value of the \$A against the \$US, which decreases the value of its \$US earnings. National Australia Bank experienced some profit taking after experiencing its strong sharemarket performance in recent months. After selling its Bay Audiology business to National Hearing Care, Abano exercised an option to acquire a 6.5% interest in the newly formed Bay Audiology/National Hearing Care audiology company. Approximately half of the proceeds from the sale will be returned to shareholders through an interim dividend and a voluntary off-market share buyback.

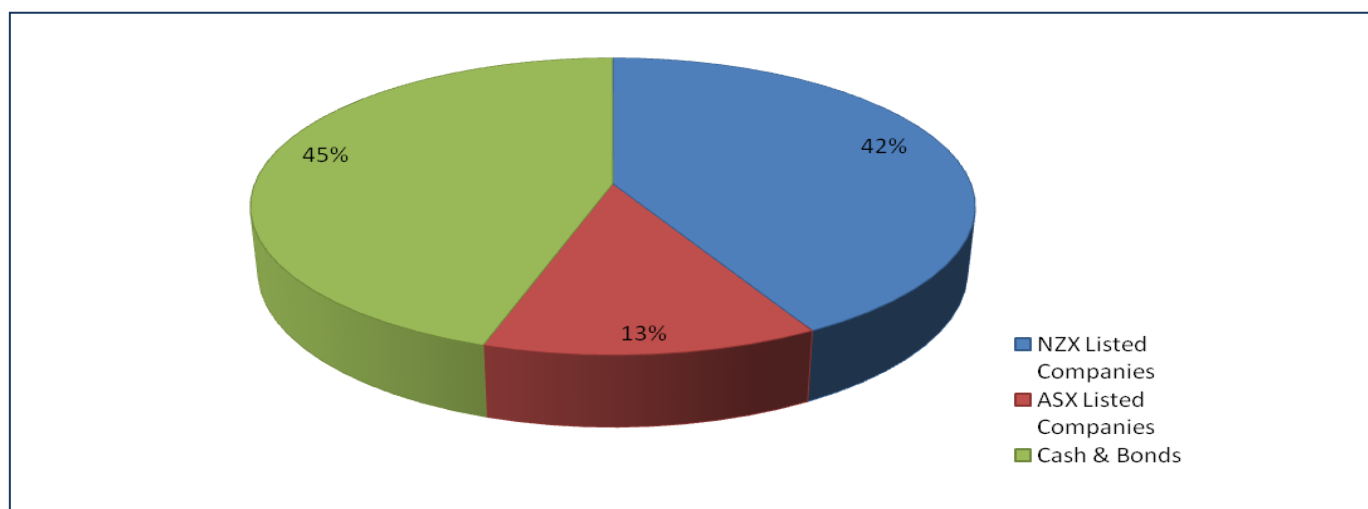
Comment on Stocks Bought During the Month

During the month the Fund added Pumpkin Patch and Pyne Gould Corporation, the latter through its rights issue. The Pyne Gould Corporation rights issue was attractive at a deeply discounted issue price. Pumpkin Patch stands to benefit from the increase in retail sales as the economy begins to pick up.

Comment on Stocks exiting from the fund during the Month

During the month the Fund sold its holding in Fisher & Paykel Appliances. Fisher & Paykel Appliances reported continuing difficulties resulting from the depressed market conditions in the US and higher than expected manufacturing costs in Mexico.

Portfolio Mix (current fund size \$55.5m)



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