

Investment and Performance Objective

This fund provides an exposure to New Zealand companies augmented by selective exposure to Australian listed companies. Milford Peak fund seeks to out-perform the NZX50 Portfolio Index (after fees and before tax) over a minimum 5 year investment horizon period.

Performance to 28/02/10 (after fees and before tax)

	Past Month	Past 1 Year	Past 2 Years	Since inception
Peak Fund	-0.7%	+34.7%	+15.9%	+8.6%
Benchmark	-0.4%	+28.7%	-8.4%	-23.0%
Difference	-0.3%	+6.0%	+24.3%	+31.6%

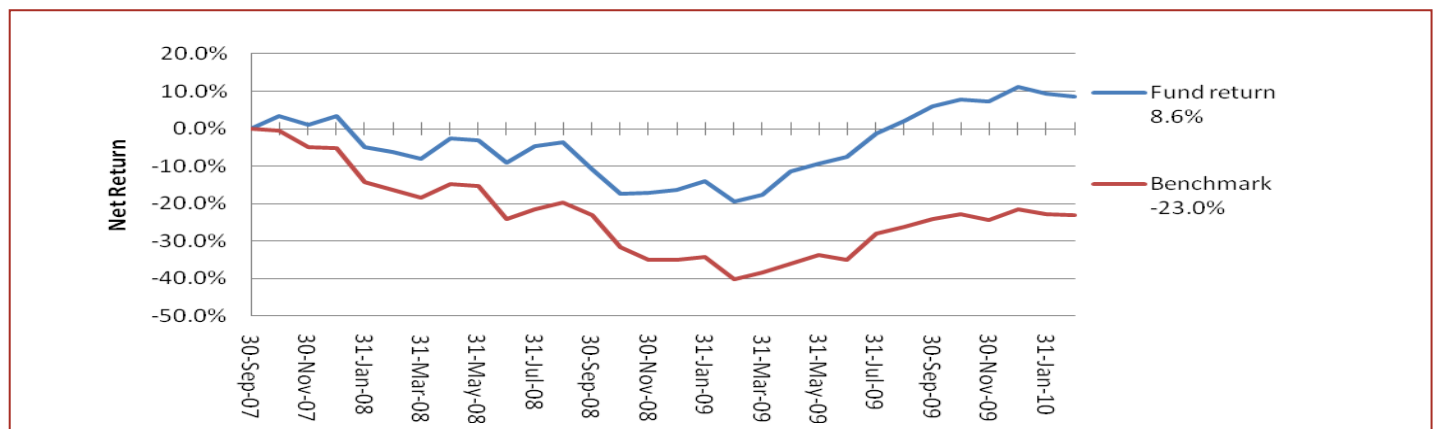
Comment on the Fund's current strategy and market view

The outlook for equity markets remains mixed with most global sharemarkets advancing slightly in February. Governments now face the dual challenges of encouraging growth while controlling inflation. The view for equity markets remains mixed for the rest of the year with stock selection driving returns. Milford is continuously reviewing the portfolio and will continue to look for new opportunities both in New Zealand and Australia.

Holdings

Company	Holding	Company	Holding	Company	Holding
Tower	5.6%	Auckland Airport	3.0%	AMP	1.7%
Restaurant Brands	5.4%	Healthscope	2.8%	Hallenstein Glasson	1.5%
Westpac	5.3%	ANZ	2.8%	Origin Energy	1.5%
Sky TV	5.1%	National Aus Bank	2.6%	Myer	1.5%
Fletcher Building	4.8%	QBE	2.6%	NZ Exchange	1.5%
Abano	4.1%	Freightways	2.5%	PGG Wrightson	1.1%
GPG	3.9%	CSL	2.4%	Wakefield Hospital	0.8%
Air New Zealand	3.6%	Infratil	2.3%	SP Aus Net	0.7%
Pumpkin Patch	3.4%	Delegat's	2.2%	Kiwi Income Prop	0.4%
Sky City	3.3%	Telstra	2.1%	CSG	0.2%
Ryman	3.2%	NZOG	1.9%	Goodman Fielder	0.2%
Downer EDI	3.2%	F&P Healthcare	1.9%	Mainfreight	0.1%
Kathmandu	3.0%	Methven	1.8%	Cash	4.0%

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



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Top 3 Contributors for month

Company	Return
CSL	+10.3%
Westpac	+9.5%
ANZ	+6.5%

Top 3 Detractors for month

Company	Return
Delegat's	-16.2%
NZ Exchange	-10.1%
Wakefield Hospital	-7.6%

Comment on the out and under performers:

February was a busy month as companies with June and December balance dates reported their interim and year end results respectively. CSL's share price performed strongly after reporting net profit after tax up 23.0% compared to the same period in 2008. The company is continuing to do well with management reporting strong growth in the market for plasma products. Westpac and ANZ delivered trading updates in February, both reporting strong cash earnings and lower than anticipated impairment charges.

Delegat's share price fell after reporting an interim result which contradicted previous guidance from management given in December. In the middle of February NZ Exchange wrote down the gain that had previously been booked on the sale of its TZ1 carbon registry to Market by \$19.9m. This was because of the lower priority given to carbon trading on the global political and corporate agenda after the Copenhagen Summit in late 2009. Wakefield Hospital had no specific news but was negatively impacted by the drop in the broader market.

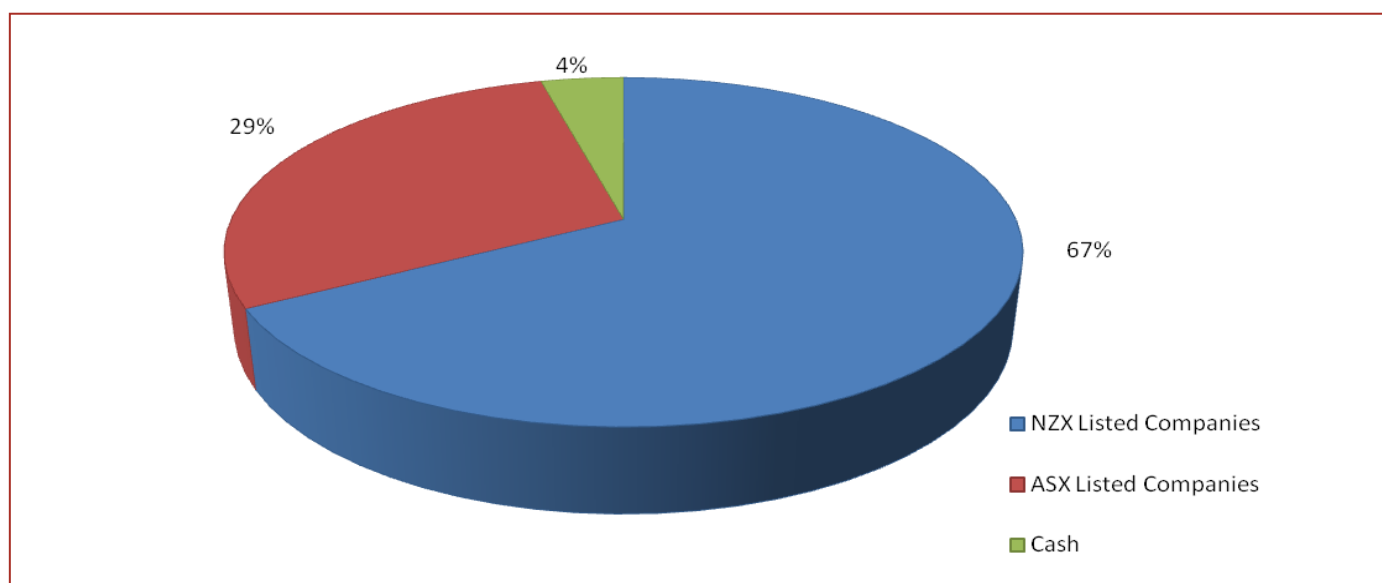
Comment on new stocks added to the Fund during the Month

Hallenstein Glasson has been added to the portfolio because sales have been improving and it is currently trading on an attractive dividend yield.

Comment on stocks exiting from the Fund during the Month

Contact has been removed from the portfolio due to a high valuation and increasing competition in the electricity sector. Fisher & Paykel Appliances was removed because the business is struggling in the current economy and the company is yet to show an improvement in profits after restructuring. As a result of a lack of growth opportunities and better valuations elsewhere in the sector The Warehouse was removed from the portfolio.

Portfolio Mix (current fund size \$12.7 million)



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