



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 3-5 year investment horizon period.

Performance to 31/01/10 (after fees and before tax)

	Past Month	Past 1 Year	Past 2 Years	Since inception
Peak Fund	-1.5%	+27.0%	+14.9%	+9.4%
Benchmark	-1.4%	+17.7%	-10.0%	-22.7%
Difference	-0.1%	+9.3%	+24.9%	+32.1%

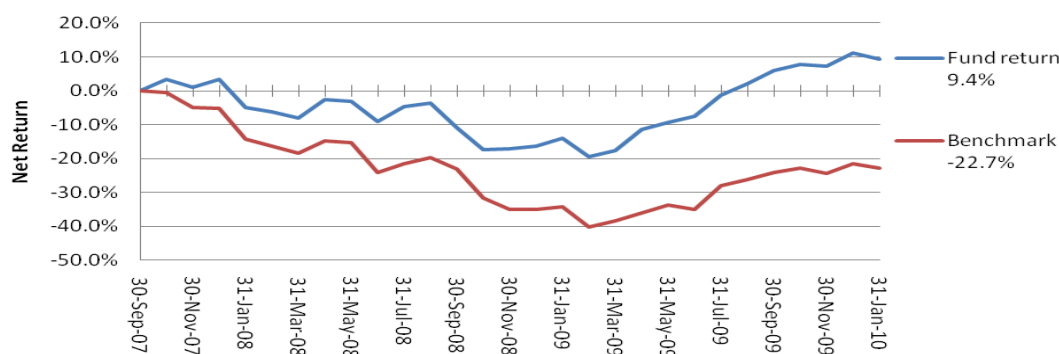
Comment on the Fund's current strategy and market view

Global sharemarkets fell during the month partly in response to moves by the Chinese authorities to tighten credit and slow economic growth. The key challenge for markets is the prospect of rising interest rates and lower levels of government spending through 2010. The Fund's strategy continues to focus upon identifying well managed companies with good growth prospects, strong competitive positions and attractive valuations. We continue to see value in select smaller companies and companies that are more exposed to the Australian economy, which has stronger economic fundamentals than New Zealand.

Holdings

Company	Holding	Company	Holding	Company	Holding
Tower	5.6%	National Aus Bank	2.8%	Origin Energy	1.5%
Sky TV	5.2%	ANZ	2.8%	Myer	1.5%
Westpac	5.1%	Healthscope	2.8%	AMP	1.2%
Fletcher Building	5.1%	Delegat's	2.8%	PGG Wrightson	1.2%
Restaurant Brands	5.0%	Infratil	2.5%	Wakefield Hospital	0.9%
GPG	4.4%	Telstra	2.4%	The Warehouse	0.5%
Abano	3.9%	CSL	2.3%	F&P Appliances	0.5%
Air New Zealand	3.7%	QBE	2.2%	Kiwi Income Prop	0.4%
Sky City	3.7%	NZOG	2.0%	Contact	0.3%
Pumpkin Patch	3.2%	Auckland Airport	2.0%	Goodman Fielder	0.2%
Downer EDI	3.1%	F&P Healthcare	2.0%	CSG	0.1%
Kathmandu	3.0%	Methven	1.8%	Mainfreight	0.1%
Freightways	2.8%	NZ Exchange	1.7%	Telecom	0.1%
Ryman	2.8%	SP Aus Net	1.7%	Cash	3.1%

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



MilfordFundsLimited



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Top 3 Contributors for month

Company	Return
PGG Wrightson	+6.9%
Air New Zealand	+6.6%
Tower	+5.4%

Top 3 Detractors for month

Company	Return
Myer	-12.1%
Downer EDI	-11.1%
QBE	-10.5%

Comment on the out and under performers:

PGG Wrightson moved higher during January after confirming the subscription agreement with Agria, which was announced late last year. Air New Zealand has been successfully managing flights to increase load factors and unveiled its new designer uniform and cuddle class seating during the month. Tower had no company specific news but continues to benefit from strong earnings momentum and an attractive valuation.

Myer, Downer EDI and QBE Insurance had no specific news but were negatively impacted by the sharp fall in the Australian market. The Australian market continues to remain volatile and dropped following concerns about slowing world growth.

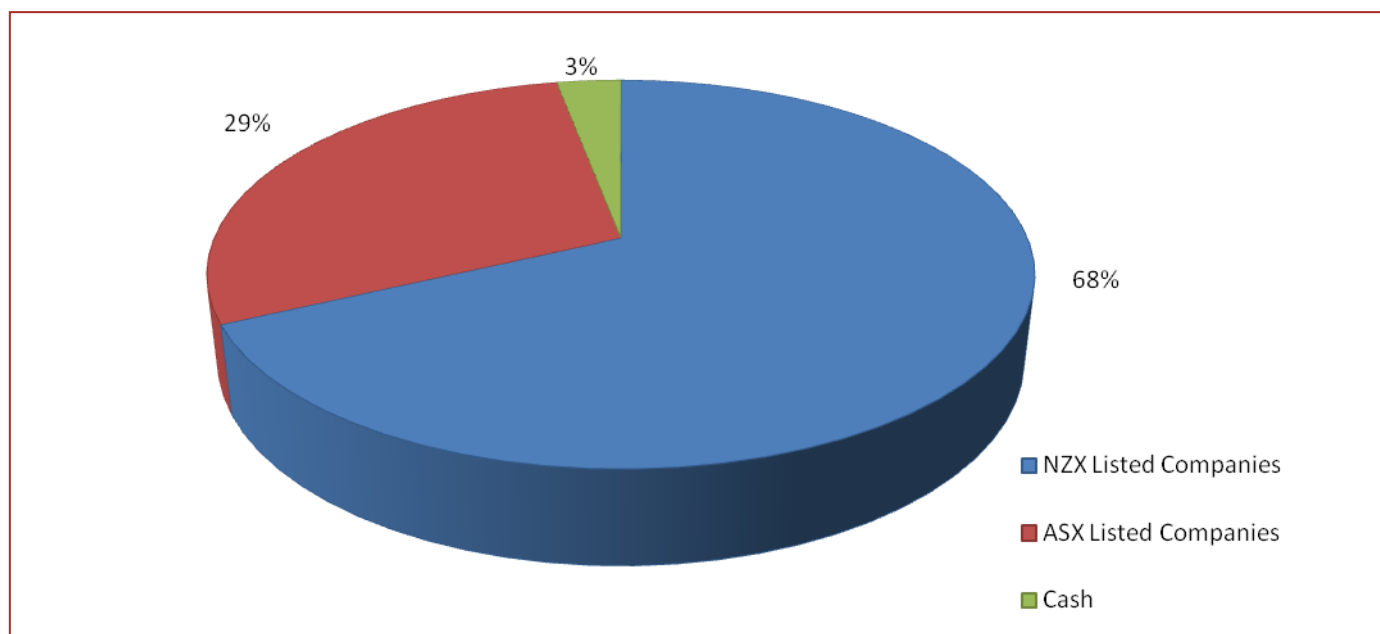
Comment on new stocks added to the Fund during the Month

No new positions were added during the month.

Comment on stocks exiting from the Fund during the Month

No positions were exited during the month.

Portfolio Mix (current fund size \$11.9 million)



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