



## 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 30/11/09 (after fees and before tax)

	Past Month	Past 1 Year	Past 2 Years	Since inception
Peak Fund	(0.6%)	+29.3%	+6.1%	+7.2%
Benchmark	(2.2%)	+16.5%	(20.3%)	(24.3%)
Difference	+1.6%	+12.8%	+26.4%	+31.6%

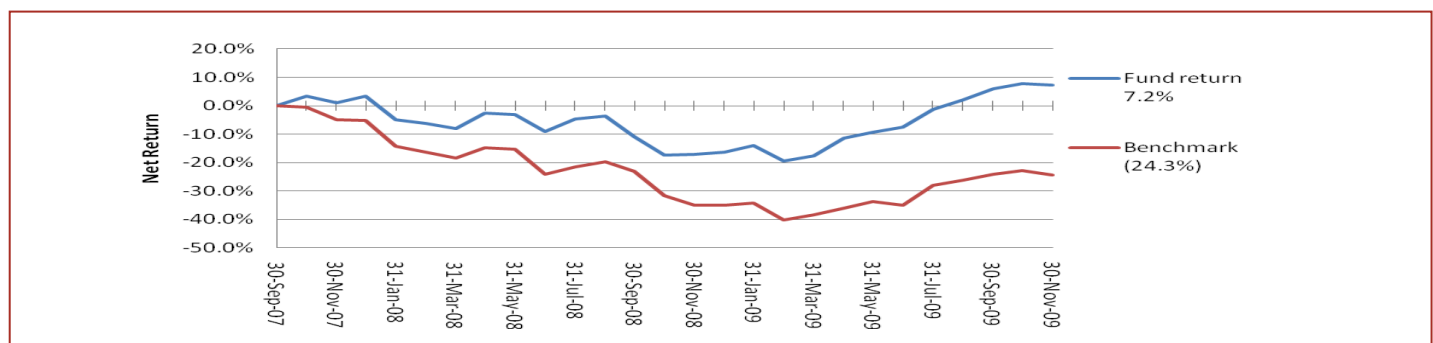
## Comment on the Fund's current strategy and market view

The NZX50 Portfolio Index fell 2.2% during the month reversing some of the previous months gains. New Zealand economic data continued to show a stabilisation in activity. November saw a number of annual shareholder meetings and results in which companies were generally cautiously optimistic about the future. Looking forward we believe that whilst the market is likely to be subdued there continues to be attractive opportunities. Despite low levels of economic growth many companies are attractively valued and are adapting to economic conditions. The Fund's strategy continues to focus upon identifying those companies that have good growth prospects, strong competitive positions, are well managed and attractively valued. We continue to see value in smaller companies and favour those companies which are more exposed to the Australian economy which remains more robust than New Zealand.

## Holdings

Company	Holding	Company	Holding	Company	Holding
Sky TV	6.0%	ANZ	2.6%	Kiwi Income Prop	1.4%
Fletcher Building	5.6%	National Aus Bank	2.5%	F&P Healthcare	1.4%
Restaurant Brands	4.9%	Delegat's	2.5%	Auckland Airport	1.4%
Tower	4.6%	GPG	2.5%	Wakefield Hospital	1.2%
Westpac	4.0%	Infratil	2.5%	Katmandu	1.0%
Abano	3.9%	Air New Zealand	2.4%	The Warehouse	0.6%
Sky City	3.5%	CSL	2.2%	F&P Appliances	0.5%
Healthscope	3.5%	Ryman	2.2%	Contact	0.4%
Freightways	3.3%	Methven	2.1%	PGG Wrightson	0.2%
Telstra	2.9%	SP Aus Net	1.9%	Goodman Fielder	0.2%
Pumpkin Patch	2.8%	NZ Exchange	1.8%	Mainfreight	0.1%
Downer EDI	2.7%	QBE	1.7%	Telecom	0.1%
NZOG	2.6%	Myer	1.6%	Cash	8.6%
Origin Energy	2.6%	AMP	1.5%		

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



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### Top 3 Contributors for month

Company	Return
Restaurant Brands	+12.2%
Abano	+8.6%
Freightways	+5.3%

### Top 3 Detractors for month

Company	Return
F & P Appliances	(12.1%)
Myer Holdings	(9.8%)
Wakefield Health	(9.6%)

### Comment on the out and under performers:

Tower rose following a very strong annual result which saw profits rise 23%. Tower saw strong growth across all four of its divisions; Health and Life, General Insurance and Investments. Abano benefited from the 52c special dividend as part of its sale of its NZ audiology business, Bay Audiology, for \$157.8m. Freightways share price rose on no specific news. Fisher & Paykel Appliances fell during the month following a disappointing half year earnings result in which it recorded a loss and it downgraded its earnings guidance for the year. Myer Holdings in Australia fell from its IPO price as a large number of speculative buyers looked to reduce their holdings in the company. Wakefield Health fell following a disappointing earnings result, which saw profits fall 42% compared to the previous comparable period. Earnings were negatively impacted by falling admissions from District Health Boards, ACC and self funded patients. The company indicated that the outlook remains subdued.

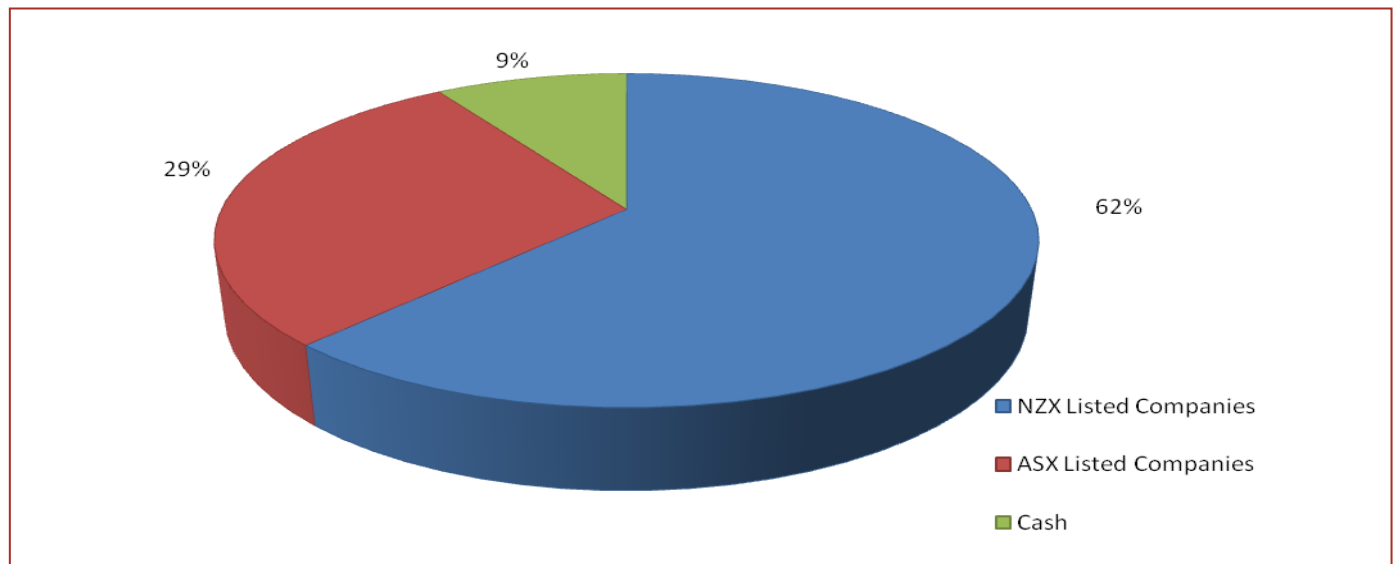
### Comment on new stocks added to the Fund during the Month

During the month the Fund participated in the IPO of Kathmandu. We believe that Kathmandu has a strong vertically integrated business model which enables it to generate high margins and offer value to its customers. But looking forward we believe Kathmandu has further room to grow through opening of new stores, we will be monitoring its results closely.

### Comment on stocks exiting from the Fund during the Month

During the month we sold our holding in Asciano. Whilst we believe that the company has strong future growth prospects we believe that these were reflected in the share price.

### Portfolio Mix (current fund size \$10million)



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