

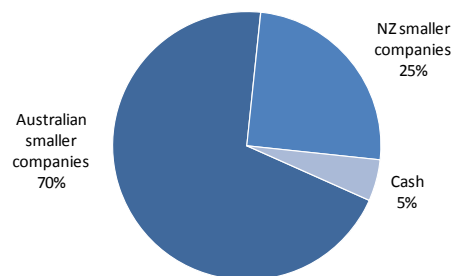
Guardian Small Companies Fund

30 June 2010

Fund manager	Tyndall Investment Management New Zealand Limited (Tyndall)		
Trustee	The New Zealand Guardian Trust Company Limited		
Fund description	The Guardian Small Companies Fund invests in smaller New Zealand and Australian listed companies.		
Structure and taxation	The Fund is a Group Investment Fund and a Portfolio Investment Entity (PIE) and priced daily. The PIE tax paid by a Fund on a Unit Holder's behalf is at their Prescribed Investor Rate (PIR). Some securities are subject to the foreign investment taxation regime, under the Fair Dividend Rate method. See the Investment Statement for more information.		
Distributions	Six monthly – end of March and September.		
Management fees and other charges	Entry fee	up to 5.40%	
	Management fee	1.25% pa	
	Statutory Supervisor Fee	0.025% pa	
	Additional expenses (capped)	0.60% pa	
Minimum investment amounts	Initial	\$1,000	
	Additional	\$100	
	Regular (monthly)	\$100	

Fund launch	April 1992
Who is this fund suitable for?	Higher risk investors looking for growth. Investors who do not require regular income.
Investment objective	To provide investors with capital growth and income potential through exposure to small cap Australasian listed companies.
Investment philosophy	The Fund actively invests in a diversified portfolio of smaller sized Australasian listed companies with potential for growth in income and capital. Smaller companies are typified by a more focused approach than larger companies and management is often more responsive to market trends and opportunities. The investment positions, albeit modest in size, reflect the Manager's best picks to provide investors with the best exposure to this sector of the market.

Benchmark asset allocation



The asset allocation benchmarks may change from time to time.

Fund size: \$15.8 million

Fund performance: \$10,000 invested since inception



Past performance is not indicative of future performance and is not guaranteed by any party. There is no guarantee that the investment objectives of any investment fund, or of the underlying fund(s) into which that investment fund invests, will be achieved. The returns are based on the percentage change in the unit price of each fund for the period specified and assumes the reinvestment of all distributions. They are not the returns individual investors will receive as this will depend on the prices at which units are purchased on the date of each individual contribution. Changes in unit prices reflect changes in the market values of the assets within each fund.

Fund performance

Fund performance is calculated assuming the reinvestment of distributions. Prior to 30 Sept 2007 distributions were after tax (at 33%) and from 1 Oct 2007 are before tax. All returns are after management fees.

1 mth	3 mths	6 mths	1 yr
-4.83%	-11.24%	-8.61%	16.63%
2 yrs (pa)	3 yrs (pa)	5 yrs (pa)	Inception (pa)
0.23%	-6.14%	2.14%	8.28%

Top 5 holdings

- ARB Corporation
- Customers Limited
- Invocare Limited
- SAI Global Limited
- Skellerup Holdings

Further information about this Fund is contained in the registered prospectus and Investment Statement for the Guardian Trust Group Investment Funds. A copy of the prospectus can be viewed at the head office of Guardian Trust, Level 7, Vero Centre, 48 Shortland Street, Auckland or on the Companies Office website, www.companies.govt.nz.

For a copy of the Investment Statement please contact your financial adviser or call Guardian Trust on 0800 801 135.

A Disclosure Statement is available free of charge on request.

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Disclaimer

The information contained in this Investment Update is of a general nature and has been derived from sources believed to be accurate at the date of issue 30 June 2010. However, neither Guardian Trust, any of their related companies, their directors, their employees, the underlying fund managers nor any other person guarantees the Fund, any investment in the Fund, or any returns on an investment in the Fund, or gives any warranty of reliability or accuracy nor accepts any responsibility arising in any other way for errors or omissions. This Investment Update is not a recommendation to subscribe for any of the units in this Fund, nor does it contain securities advice or is intended to provide advice to investors. In preparing this Investment Update, no individual investor's personal circumstances have been taken into account. This Investment Update should not be relied upon as the basis for an investment decision, and you should seek qualified, independent financial and taxation advice before deciding to invest. Asset allocations, performance objectives, underlying investment funds, investment managers / fund managers and other details may change from time to time without notice.

Commentary (provided by Tyndall)

For the third quarter in a row, **Oceana Gold** (OGC) was the best performing stock held in the portfolio. OGC continues to benefit from strong gold prices and provided another 40% (in NZD) return for the portfolio.

New Zealand Windfarms (NWF) was the best performing New Zealand stock held as its 8:3 \$31m rights issue was successfully underwritten and completed. Heading into the capital raising NWF had been weak due to the size of the stock issued and the manager used the weak market to increase the funds holding and this aided portfolio performance. NWF provided a 23% return for the portfolio over the quarter.

Skellerup Holdings also performed well over the quarter and the company provided the market with an upgrade to its earnings forecast. Given the state of the markets there were many stocks held that posted negative returns.

The worst performing stock held was **Biota Holdings** which fell more than 50% (in NZD) after reporting lower royalties than expected.

Stocks added during the quarter include **Automotive Holdings Group, Eastern Star Gas, Biota Holdings, Mitchell Communications Group, Pike River Coal** and **Restaurant Brands**. Stocks divested during the month included **Australian Agricultural Company**, and **Tox Free Solutions**.

Unless otherwise stated, performance numbers included in the commentary are for the June 2010 quarter.

The **commentary** contained in this Investment Update has been prepared by Tyndall, the delegated investment manager for this Fund. Accordingly, none of Guardian Trust, their directors or their employees gives any warranty of reliability or accuracy, nor accepts any responsibility arising in any way for errors or omissions, in respect of this commentary.

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