Trans Tasman Portfolio  

March 2016

Performance Commentary

The Portfolio was up 1.20% for the month, versus the benchmark which was up 1.01%.

The majority of the Portfolio’s active overweight positions reported positive half year results during February. At the top of the class though was Australian Vintage which is now seeing the benefits of substantial restructuring and production rationalisation. As with most turnaround situations, it has taken some time to bear fruit, in this case 10 years, but once the inflection point has been reached progress can quite be rapid. On all financial metrics this half was a strong improvement and the board now intends to announce a final dividend at its full year result.

At the other end of the scale, the Slater & Gordon half year prompted significant share price weakness. The company suffered goodwill impairments of $876m. While not unexpected, it appears that these write-downs have triggered a mechanism that could allow its lenders to bring forward the repayment of debt to March 2017. This is clearly not an ideal situation but the market has assumed the worst of all possible scenarios.

Performance to 29 February 2016 (Gross of fees & incl IC’s)

<table>
<thead>
<tr>
<th></th>
<th>Past Month</th>
<th>Past Quarter</th>
<th>Past Year</th>
<th>Since Inception (p.a.)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trans-Tasman Portfolio</td>
<td>1.20%</td>
<td>2.53%</td>
<td>8.82%</td>
<td>14.56%</td>
</tr>
<tr>
<td>S&amp;P/NZX50 Index including IC’s</td>
<td>1.01%</td>
<td>2.23%</td>
<td>7.41%</td>
<td>13.19%</td>
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<tr>
<td>Out/Under Performance</td>
<td>+0.19%</td>
<td>+0.30%</td>
<td>+1.41%</td>
<td>+1.37%</td>
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</tbody>
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*Portfolio inception 1/7th January 2014

Portfolio Strategy

The Castle Point Trans-Tasman Portfolio invests in New Zealand and Australian Listed Companies and is benchmarked to the S&P/NZX 50 Index. The objective of the Portfolio is to outperform the benchmark over rolling three year periods. With its high active share the Portfolio targets a tracking error of between 4-6% and will typically have less than 5% in cash at any time.

Equity Holdings by Category

- Deep Value: 11%
- Value: 20%
- Mid Cap Grower: 39%
- Mature: 30%

Holdings by Country

- Australian Equities: 13%
- New Zealand Equities: 79%
- Cash: 3%

Largest Overweight Positions

- Wellcom Group: AUD 4.0%
- Vista Group International: NZD 3.9%
- Trodo Mo Group: NZD 2.3%
- Australian Vintage: AUD 2.3%
- Macmahon Holdings: AUD 2.2%
- Swick Mining Services: AUD 2.0%
- Corporate Travel Management: AUD 2.0%
- Freightways: NZD 2.0%
- Port of Tauranga: NZD 1.9%
- Contact Energy: NZD 1.8%
- Boom Logistics: AUD 1.7%
- Slater & Gordon: AUD 1.4%
- Meridian Energy: NZD 1.1%
- Scott Technology: NZD 1.0%
- Touchcorp: AUD 0.9%

Largest Underweight Positions

- Chorus: NZD -2.2%
- Air New Zealand: NZD -2.0%
- Ebos Group: NZD -1.8%
- Fisher & Paykel Healthcare: NZD -1.8%
- Precinct Properties: NZD -1.7%
- Auckland International Airport: NZD -1.7%
- Xerc: NZD -1.6%
- Fletcher Building: NZD -1.4%
- Nuplex Industries: NZD -1.3%
- Argosy Property: NZD -1.3%
- Kiwi Property Group: NZD -1.2%
- Summerset Group Holdings: NZD -1.2%
- Westpac Banking Corporation: NZD -1.2%
- Spark New Zealand: NZD -1.1%
- Vextr: NZD -1.1%

Fees

The Trans Tasman Portfolio is currently being run as an individually managed account with fees as agreed with each client.