5 Oceans Fund

Performance Commentary

The 5 Oceans Fund was down 0.24% in March.

The growth orientated strategies had mixed results for the month. The local focused Ranger fund was down 0.6%, while the Trans-Tasman fund was up 4.7%. The global equity strategies were both down, with Acadian returning -0.6% and the Schroders value focused strategy down 1.7%. Both Acadian and Schroders are unhedged returns and the currency hedging in place recovered some of these losses.

Bond managers overall had strong results, with AMP up 0.6%, and Daintree up 0.7% helped by local yields falling, while T. Rowe Price was virtually flat at 0.1% (in AUD). As expected, the Kohinoor tail risk strategies continued to decline as volatility receded, down 4-5% for both their Pacific and Core funds.

Fund Strategy

The 5 Oceans Fund is designed to have a diversified asset and geographic exposure. The exposure to growth assets can be varied between 30% and 70% of the Fund depending on the underlying managers’ assessment of market risk. This is quite different from traditional diversified funds which often target a set growth allocation and invest accordingly.

The Fund achieves this by carefully selecting managers that have flexible investment mandates and/or employ risk mitigation strategies. This gives the Fund a dynamic and flexible exposure to growth assets and greater focus on capital protection in the event of market crashes.

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April 2019

Largest Holdings

<table>
<thead>
<tr>
<th>Holding</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acadian Managed Volatility (via the Mercer Low Volatility Shares Portfolio)</td>
<td>18.9%</td>
</tr>
<tr>
<td>Castle Point Ranger Fund</td>
<td>16.6%</td>
</tr>
<tr>
<td>Daintree Core Income Trust</td>
<td>12.5%</td>
</tr>
<tr>
<td>T. Rowe Price Dynamic Global Bond Fund</td>
<td>12.4%</td>
</tr>
<tr>
<td>Schroder Global Recovery Fund</td>
<td>9.9%</td>
</tr>
<tr>
<td>AMP Capital NZ Short Duration Fund</td>
<td>8.8%</td>
</tr>
<tr>
<td>Castle Point Trans-Tasman Fund</td>
<td>2.3%</td>
</tr>
<tr>
<td>Kohinoor Pacific Fund</td>
<td>2.2%</td>
</tr>
<tr>
<td>Kohinoor Core Fund</td>
<td>1.4%</td>
</tr>
<tr>
<td>Direct NZ Fixed Interest holdings</td>
<td>4.2%</td>
</tr>
<tr>
<td>Cash &amp; Cash equivalents</td>
<td>10.5%</td>
</tr>
</tbody>
</table>

Fees

1.05% capped management fee which covers our management fee, the management fees of the underlying funds and normal operating expenses of the fund. No entry or exit fees are currently charged but there is a buy/sell spread of 0.30% of each investment / withdrawal.