



5 Oceans Fund

December 2016

Performance Commentary

Following its launch on 25th October the 5 Oceans fund recorded a positive return of 0.26% for its first full month of November.

This was pleasing as no one wants to start with a negative month, and further November was quite an eventful month from a news and politics perspective. The election of Trump gave global shares a boost after a spell of early volatility though bonds were the big movers. The US 10 year started the month at 1.83% and ended at 2.38% resulting in some material losses for sovereign bond holders. The NZ 10 year yield increased similarly from 2.7% to 3.1%.

The shorter duration positioning and flexibility of our bond managers - Kapstream and AMP - meant they avoided these losses and were roughly flat for the month. Early days but exactly what we hoped to see.

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.

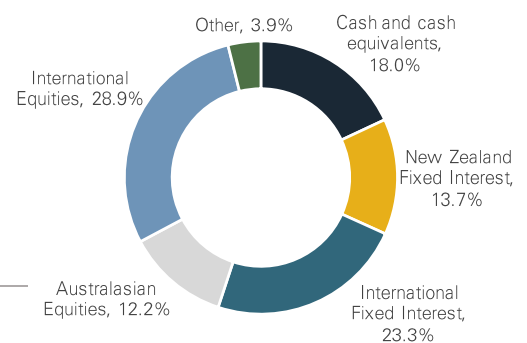
The Fund achieves this by carefully selecting managers that have flexible investment mandates and/or employ risk mitigation strategies. This gives the Fund a dynamic and flexible exposure to growth assets and greater focus on capital protection in the event of market crashes.

Performance to 31 November 2016 (net of fees)

	Past Month	Past Quarter	Past Year	Since Inception (p.a.)*
5 Oceans Fund	0.26%			0.25%
NZ Official Cash Rate plus 3%	0.39%			0.47%
Over/Under Performance	-0.13%			-0.22%

*Fund inception 25th October 2016

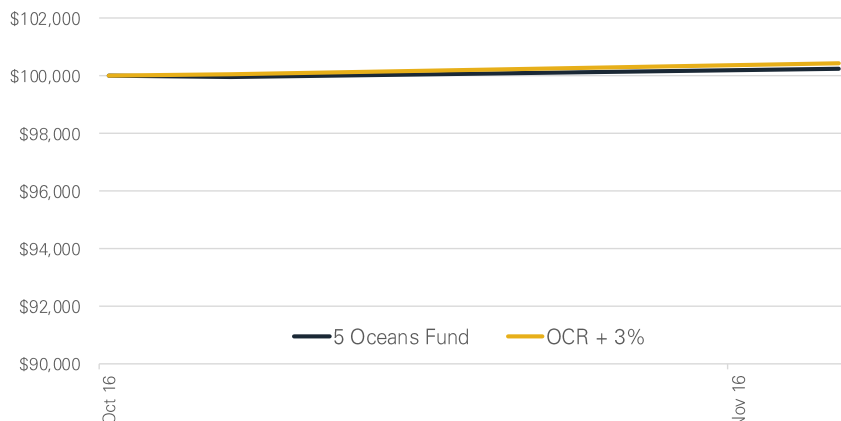
Holdings by Asset Class



Key Facts

Supervisor	Public Trust	Distribution	0.35c per month
Custodian	Public Trust	Return Target	NZ OCR + 3%
Administrator	MMC limited	Recommended Investment Horizon	Medium term (at least 3 years)
Auditor	Deloitte	Minimum Initial Investment	\$10,000
Liquidity	Daily	Minimum Additional Investment	\$1,000

Growth of \$100,000 after fees



Fund Holdings

Acadian Managed Volatility Fund	28.9%
Kapstream Absolute Return Income Fund	22.6%
Castle Point Ranger Fund	18.7%
AMP Capital NZ Short Duration Fund	11.6%
Kohinoor Core Fund	3.9%
Cash & Cash equivalents	13.6%

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.