5 Oceans Fund

Performance Commentary

The 5 Oceans Fund was up 0.50% in September, with contributions again coming from both local and global assets.

The Australasian focused Ranger Fund was up 0.96% and the global Acadian Fund was up 0.91% (in unhedged terms), although currency hedging modestly reduced the Acadian Fund's return.

The bond managers all had positive returns for the month. New Zealand focused AMP was up 0.13%, T. Rowe Price was up 0.8% and Daintree was up 0.2%.

Volatility levels again remained low, which meant that the Kohinoor tail risk strategy was again a slight drag on performance.

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 30 September 2018 (net of fees)

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Past Month</th>
<th>Past Quarter</th>
<th>Past Year</th>
<th>Since Inception (p.a.)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Oceans Fund</td>
<td>0.50%</td>
<td>2.64%</td>
<td>7.39%</td>
<td>8.57%</td>
</tr>
<tr>
<td>NZ Official Cash Rate plus 3%</td>
<td>0.38%</td>
<td>1.18%</td>
<td>4.75%</td>
<td>4.76%</td>
</tr>
<tr>
<td>Over/Under Performance</td>
<td>+0.12%</td>
<td>+1.46%</td>
<td>+2.64%</td>
<td>+3.81%</td>
</tr>
</tbody>
</table>

*Fund inception 25th October 2016

Key Facts

- **Supervisor**: Public Trust
- **Custodian**: Public Trust
- **Return Target**: NZ OCR + 3%
- **Administrator**: MMC limited
- **Recommended Investment Horizon**: Medium term (at least 3 years)
- **Auditor**: Deloitte
- **Liquidity**: Daily

Minimum Initial Investment: $10,000
Minimum Additional Investment: $1,000

Growth of $100,000 after fees

<table>
<thead>
<tr>
<th>Month</th>
<th>5 Oceans Fund</th>
<th>OCR + 3%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct 16</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Jan 17</td>
<td>$102,000</td>
<td>$102,000</td>
</tr>
<tr>
<td>Apr 17</td>
<td>$104,000</td>
<td>$104,000</td>
</tr>
<tr>
<td>Jul 17</td>
<td>$106,000</td>
<td>$106,000</td>
</tr>
<tr>
<td>Oct 17</td>
<td>$108,000</td>
<td>$108,000</td>
</tr>
<tr>
<td>Jan 18</td>
<td>$110,000</td>
<td>$110,000</td>
</tr>
<tr>
<td>Apr 18</td>
<td>$112,000</td>
<td>$112,000</td>
</tr>
<tr>
<td>Jul 18</td>
<td>$114,000</td>
<td>$114,000</td>
</tr>
<tr>
<td>Oct 19</td>
<td>$116,000</td>
<td>$116,000</td>
</tr>
<tr>
<td>Jan 20</td>
<td>$118,000</td>
<td>$118,000</td>
</tr>
<tr>
<td>Apr 20</td>
<td>$120,000</td>
<td>$120,000</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.

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