Ranger Fund

Performance Commentary
The Ranger Fund delivered another positive month, up 3.5% for July. The main contributor was Macmahon Holdings which added to its positive announcements in June by confirming it had closed off its debt facilities and now held over $500m cash in the bank, it was up another 19% in July. The A2 Milk Company advised shareholders that no takeover offer was likely in the near term but did give investors a positive operations update, the stock responded positively and was up 15% for the month.

During the month the Fund purchased a modest 1% position in Slater & Gordon. This listed legal business made headlines in June when its share price halved in just 3 days following negative stories around its revenue recognition accounting practices. We were intrigued that a market darling, Slater & Gordon had been one of the ASX best performers, could fall so sharply and suddenly from grace, indeed it suffered the market version of a lightning strike, buffalo stampede. This highlights that many investors did not understand the business and particularly the accounting involved and hence just sold, we are taking the time to investigate fully as this could be a genuinely cheap stock in an expensive market.

Performance to 31 July 2015 (net of fees)

<table>
<thead>
<tr>
<th>Fund</th>
<th>Past Month</th>
<th>Fast Quarter</th>
<th>Past Year</th>
<th>Since Inception (p.a.)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranger Fund</td>
<td>3.53%</td>
<td>6.14%</td>
<td>5.40%</td>
<td>6.11%</td>
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<tr>
<td>NZ Official Cash Rate plus 5%</td>
<td>0.67%</td>
<td>2.04%</td>
<td>3.46%</td>
<td>7.91%</td>
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<tr>
<td>Over/Under Performance</td>
<td>2.86%</td>
<td>+4.10%</td>
<td>-3.06%</td>
<td>-1.80%</td>
</tr>
</tbody>
</table>

*Fund inception 24th January 2014

Equity Holdings by Category

- Deep Value: 28%
- Mid Cap Grower: 40%
- Value: 25%
- Moat: 7%

Holdings by Country

- New Zealand Equities: 8%
- Australian Equities: 43%
- Cash: 49%

Largest Holdings

- Boom Logistics: AUD 7.9%
- Wellcom Group: AUD 7.5%
- Swick Mining Services: AUD 7.1%
- Vista Group International: NZD 6.9%
- MacMahon Holdings: AUD 6.0%
- Corporate Travel Management: AUD 4.7%
- Australian Vintage: AUD 4.5%
- Touchcorp: AUD 2.8%
- A2 Milk Company: NZD 1.5%
- Paperlink SPS Trust: AUD 0.9%
- Slater & Gordon: AUD 0.9%
- Cash & Short Term Notes: 48.7%

Portfolio Characteristics

- Dividend Yield: 2.0%
- Price/Earnings ratio: 27.5x
- Price/Free Cash Flow ratio: 18.7x
- Price/Book Value ratio: 2.8x
- Return on Equity: 8.4%
- Earnings Growth: 39.3%
- Georing: 8.4%

Fees
1.05% capped management fee plus a performance fee equal to 15% of any returns above the performance hurdle. The performance hurdle is the New Zealand Official Cash Rate plus 5%. A perpetual High Water Mark applies to the performance hurdle. No entry or exit fees are currently charged.