Ranger Fund

Performance Commentary
The Ranger Fund was up 6.77% for the month of July.

As we noted last month we expected to see a recovery in markets post the Brexit fallout and indeed that is what occurred in July. Most stocks bounced back, which, when combined with some signs of increased investor interest in the mining services sector provided a strong tailwind for the fund in July.

Last month we also talked about Michael Hill and our increased conviction and position size in the fund. Its change of ticker (MHI to MHJ) and primary listing move to the ASX market seems to have propelled this stock onto the radar of some new investors, with the stock up over 35% for the month. We have never claimed to be experts in market timing, however it is pleasing when conviction is rewarded so promptly.

This combination led to Ranger posting its best month to date.

Performance to 31 July 2016 (net of fees)

<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>Ranger Fund</td>
<td>6.77%</td>
<td>5.85%</td>
<td>8.56%</td>
<td>7.05%</td>
</tr>
<tr>
<td>NZ Official Cash Rate plus 5%</td>
<td>0.60%</td>
<td>1.78%</td>
<td>7.54%</td>
<td>7.77%</td>
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<tr>
<td>Overt/Under Performance</td>
<td>+6.17%</td>
<td>+4.07%</td>
<td>+1.02%</td>
<td>-0.71%</td>
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</tbody>
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*Fund inception 24th January 2014

Fund Strategy
The Ranger Fund is a high conviction portfolio of New Zealand and Australian listed companies. The fund’s objective is to provide equity-like returns over the long run while minimising exposure to extreme share market fluctuations. During periods of market stress, the fund will seek to preserve capital by holding significant amounts of cash and bonds, shorting individual shares, selling index futures contracts and/or buying index put options. The fund will never be leveraged or net short.

Equity Holdings by Category

- Deep Value: 18%
- Mid Cap Grower: 60%
- Moat: 4%
- Value: 27%
- Opportunistic: 1%

Holdings by Country

- New Zealand Equities: 18%
- Australian Equities: 47%
- Cash & Term Notes: 35%

Largest Holdings

- Vista Group: NZD 7.9%
- Michael Hill International: NZD 6.5%
- Boom Logistics: AUD 6.0%
- Wellcom Group: AUD 5.8%
- Corporate Travel Management: AUD 5.6%
- Swick Mining Services: AUD 5.4%
- MacMahon Holdings: AUD 5.0%
- Australian Vintage: AUD 4.5%
- Touchcorp: AUD 3.1%
- Scott Technology: NZD 3.1%
- Other Australasian Listed Holdings: 14.0%
- Cash & Term Notes: 33.1%

Growth of $100,000 after fees

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.

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A copy of our Ranger Fund Investment Statement can be found at www.castlepointfunds.com