Ranger Fund

Performance Commentary
Our June return was up 1.74%, given the backdrop of falling share markets, this was a really encouraging outcome. For example the NZX50 and the ASX200 were down 2% and 5% respectively.
During the month, Macmahon Holdings announced that it had settled an outstanding dispute in Mongolia for $80m, this left the company with effectively no debt and cash in the bank. We had increased the position to 5% prior to this announcement and made healthy gains from the subsequent 40% increase in its share price. There was also a solid contribution from Boom Logistics which announced that it was continuing to reduce debt and progressing towards a return to profitability. The other news in the Fund was the potential takeover of A2 Milk Company and while this also helped the Fund it was to a lesser degree given it was only a 1% position.

The only real negative contributor was Corporate Travel Management, this appears to be the impact of general share market weakness as the company released no new information to the market, during the month.

Performance to 30 June 2015 (net of fees)

<table>
<thead>
<tr>
<th>Fund/Category</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>1.74%</td>
<td>1.58%</td>
<td>4.52%</td>
<td>4.03%</td>
</tr>
<tr>
<td>NZ Official Cash Rate plus 5%</td>
<td>0.66%</td>
<td>2.04%</td>
<td>8.47%</td>
<td>8.89%</td>
</tr>
<tr>
<td>Over/Under Performance</td>
<td>+1.07%</td>
<td>-0.46%</td>
<td>-3.95%</td>
<td>-3.86%</td>
</tr>
</tbody>
</table>

*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 29%
- Mid Cap (Grower) 46%
- Value 25%
- Moat 0%

Holdings by Country

- New Zealand Equities 48%
- Australian Equities 44%
- Cash 8%

Largest Holdings

- Boom Logistics: AUD 8.5%
- Wellcom Group: AUD 8.4%
- Swick Mining Services: AUD 7.4%
- Macmahon Holdings: AUD 6.7%
- Viro Group International: NZD 6.6%
- Corporate Travel Management: AUD 4.9%
- Australian Vintage: AUD 4.5%
- Touchcorp: AUD 2.9%
- A2 Milk Company: NZD 1.3%
- Paperlink SPS Trust: AUD 0.9%

Cash & Short Term Notes 47.9%

Portfolio Characteristics

- Dividend Yield: 2.5%
- Price/Earnings Ratio: 41.3x
- Price/Free Cash Flow Ratio: 16.8x
- Price/Book Value Ratio: 2.4x
- Return on Equity: 8.1%
- Earnings Growth: 30.4%
- Gearing: 28.5%

Fees
1.0% 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.