Ranger Fund

Performance Commentary
The Ranger Fund was down 2.71% for the month of June.

During June, financial markets experienced a very sharp spike in volatility following Britain’s decision to leave the European Union. This, rather than any negative fundamental news, resulted in the majority of our equity investments experiencing some share price weakness. We would expect to see a recovery as the market normalises post the Brexit decision and indeed we have already seen signs of this so far in July.

The only significant company news with a bearing on the Fund was actually very positive. Michael Hill International announced their plans to do a full roll out of their new store format, Emma & Roe. Over the next few years they intend to open at least 300 stores in Australia, NZ and Canada. This effectively doubles the current number of stores Michael Hill operates. This should clearly have a significantly positive impact on future revenues and profits. We increased the Ranger position to 5% as we feel the market has yet to price in this upside potential.

Performance to 30 June 2016 (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>-2.71%</td>
<td>0.61%</td>
<td>5.27%</td>
<td>4.52%</td>
</tr>
<tr>
<td>NZ Official Cash Rate plus 5%</td>
<td>-0.58%</td>
<td>1.76%</td>
<td>7.32%</td>
<td>7.78%</td>
</tr>
<tr>
<td>Overture/Under Performance</td>
<td>-3.29%</td>
<td>-1.15%</td>
<td>-2.35%</td>
<td>-3.26%</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

![Equity Holdings by Category Graph]

- Deep Value: 5%
- Value: 26%
- Opportunistic: 2%
- Mid Cap Grower: 54%
- Mbat: 3%

Holdings by Country

New Zealand Equities: 22%
Australian Equities: 44%
Cash & Term Notes: 34%

Growth of $100,000 after fees

![Growth of $100,000 after fees Graph]

Largest Holdings

- Vista Group International: NZD 7.9%
- Weilcom Group: AUD 6.6%
- Boom Logistics: AUD 5.7%
- Swick Mining Services: AUD 5.6%
- Corporate Travel Management: AUD 5.4%
- Michael Hill New Zealand: NZD 6.1%
- Australian Vintage: AUD 4.8%
- MacMahon Holdings: AUD 4.4%
- Scott Technology: NZD 3.3%
- Slater & Gordon: AUD 2.6%
- Other Australian Listed Holdings: 14.9%
- Cash & Term Notes: 33.8%

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.castlepoinfunds.com