Ranger Fund

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 sharemarket 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 not be levered or net short.

Performance to 31 May 2015 (net of fees)

<table>
<thead>
<tr>
<th></th>
<th>Past Month</th>
<th>Past Quarter</th>
<th>Past Year</th>
<th>Since Inception*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranger Fund</td>
<td>0.76%</td>
<td>-1.11%</td>
<td>2.20%</td>
<td>3.01%</td>
</tr>
<tr>
<td>NZ Official Cash Rate plus 5%</td>
<td>0.70%</td>
<td>2.08%</td>
<td>8.45%</td>
<td>7.87%</td>
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<tr>
<td>Over/Under Performance</td>
<td>+0.07%</td>
<td>-3.19%</td>
<td>-6.26%</td>
<td>-4.86%</td>
</tr>
</tbody>
</table>

*Annualised return. Fund inception 24th January 2014

Performance Commentary
During May the Ranger Fund benefited from the positive performance of Boom Logistics, Corporate Travel Management, Macmahon Holdings, Wellcom Group and Contact Energy. The Fund was negatively impacted by the performance of Swick Mining Services and Australian Vintage. During the month the Fund added a position in Contact Energy and increased its position in Australian Vintage.

Equity Holdings by Category

- Deep Value: 21%
- Mid Cap Grower: 46%
- Moat: 6%
- Value: 27%

Holdings by Country

- New Zealand Equities: 10%
- Cash: 50%
- Australian Equities: 40%

Largest Holdings

- Wellcom Group: AUD 8.6%
- Boom Logistics: AUD 7.6%
- Swick Mining Services: AUD 7.5%
- Vista Group International: NZD 6.2%
- Australian Vintage: AUD 4.6%
- Corporate Travel Management: AUD 4.2%
- Macmahon Holdings: AUD 3.0%
- Touchcorp: AUD 3.0%
- Contact Energy: NZD 2.7%
- Paperlink SPS Trust: AUD 1.1%
- A2 Milk Company: NZD 0.9%
- Cash & Short Term Notes: 50.5%

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
1.05% 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.