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 28 February 2014 (net of fees)

<table>
<thead>
<tr>
<th>Fund</th>
<th>Past Month</th>
<th>Since Inception*</th>
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</thead>
<tbody>
<tr>
<td>Ranger Fund</td>
<td>0.53%</td>
<td>0.51%</td>
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<tr>
<td>NZ Official Cash Rate plus 5%</td>
<td>0.56%</td>
<td>0.72%</td>
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<tr>
<td>Over/Under Performance</td>
<td>-0.03%</td>
<td>-0.21%</td>
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*Fund inception 24th January 2014

Performance Commentary
During the month of February the Ranger Fund benefited from positive performance by Guinness Peat Group, Sky Network Television, Corporate Travel and Contact Energy. While the Fund had a positive return for the month positions in Boom Logistics, Emeco Holdings, Tower and Trade Me detracted from overall returns. During the month purchases saw the positions in Paperlink and Wellcom increase and Indophil Resources added to the Fund.

Equity Holdings by Category

- Value 26%
- Deep Value 22%
- Mid Cap Grower 28%
- Moat 24%

Holdings by Country

- New Zealand Equities 20%
- Australian Equities 34%
- Cash 46%

Largest Holdings

- Paperlink Limited: AUD 8.7%
- Wellcom Group Ltd: AUD 7.4%
- Corporate Travel Management: AUD 5.3%
- Boom Logistics Ltd: AUD 5.2%
- Trade Me Ltd: NZD 5.1%
- Contact Energy Ltd: NZD 5.0%
- Emeco Holdings Ltd: AUD 4.9%
- Guinness Peat Group Plc: NZD 2.7%
- Sky Network Television Ltd: NZD 2.6%
- A2 Corp Ltd: NZD 2.5%
- Tower Ltd: NZD 2.3%
- Indophil Resources NL: AUD 1.8%

- Cash & Short Term Notes: 46.3%

Portfolio Characteristics

- Dividend Yield: 4.8%
- Price/Earnings ratio: 37x
- Price/Free Cash Flow ratio: 16x
- Price/Book Value ratio: 0.59
- Return on Equity: 9.0%
- Earnings Growth: 8.0%
- Gearing: 113.0%

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.