Ranger Fund

November 2015

Performance Commentary
The Ranger Fund returned a strong 4.9% for the month of October.
In our last commentary we discussed the fund’s exposure to the Mining Services sector. Extremely negative market sentiment towards that sector was having a dual effect: creating fantastic long term opportunities for the Ranger Fund but also creating some volatility in the short term. Overall we remained highly confident that being patient would ultimately be highly rewarded. In the event some solid gratification came sooner rather than later. During the month, Macmahon Holdings announced a share buy back and the stock subsequently rallied over 50% which underpinned the Fund’s solid October return.

Performance to 31 October 2015 (net of fees)

<table>
<thead>
<tr>
<th>Fund</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>4.95%</td>
<td>0.92%</td>
<td>-0.39%</td>
<td>5.78%</td>
</tr>
<tr>
<td>NZ Official Cash Rate plus 5%</td>
<td>0.64%</td>
<td>1.93%</td>
<td>8.30%</td>
<td>7.91%</td>
</tr>
<tr>
<td>Over/Under Performance</td>
<td>+4.32%</td>
<td>-1.01%</td>
<td>-8.69%</td>
<td>-2.13%</td>
</tr>
</tbody>
</table>

*Fund inception 24th January 2014

Equity Holdings by Category

- Value 28%
- Mid Cap Grows 44%
- Moat 0%
- Deep Value 28%

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.

Holdings by Country

- New Zealand Equities 7%
- Australian Equities 43%
- Cash 50%

Largest Holdings

- Wellcom Group AUD 7.7%
- Macmahon Holdings AUD 7.3%
- Boom Logistics AUD 6.6%
- Vista Group International NZD 5.8%
- Corporate Travel Management AUD 5.1%
- Swick Mining Services AUD 5.1%
- Australian Vintage AUD 3.9%
- Slater & Gordon AUD 3.7%
- Touchcorp AUD 2.7%
- Paperlnx SPS Trust AUD 1.4%
- A2 Milk Company NZD 0.9%
- Cash & Term Notes 49.6%

Portfolio Characteristics

- Dividend Yield 2.1%
- Price/Earnings ratio 22.2x
- Price/Free Cash Flow ratio 7.1x
- Price/Book Value ratio 0.5x
- Return on Equity 2.2%
- Earnings Growth 39.9%
- Gearing 10.4%

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.

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