Ranger Fund

Performance Commentary

The Ranger Fund was down 2.71% for the month of December.

The largest negative contributor for the month was the holding in Touchcorp, which fell 42%. During the month it issued a trading update that indicated weak earnings in the second half of 2016. Ironically the earnings weakness is being caused by upfront costs associated with the spectacular growth of one of Touchcorp’s key customers, Afterpay. As can happen with equities, the market is fixated with the next earnings result being weak and is ignoring the intrinsic value of the business in the medium to long term, which in our view is the most important element of being a successful investor.

On the positive side, the market continues to acknowledge New Zealand’s flourishing tourist trade. The Fund benefited from Millennium Copthorne’s appreciating share price, and we expect this to continue.

Fund Strategy

The investment strategy of the Fund is to exploit market inefficiencies resulting from a bias to short term performance by financial market investors, through investing in a range of Australasian assets. Castle Point has broad discretion on the type and proportion of Australasian assets the Fund invests into. Given the broad investment mandate of the Fund there is no target asset allocation or investment mix. There are some restrictions and investment limits on certain assets. Refer to the Fund’s current statement of investment policy and objectives.

Performance to 31 December 2016 (net of fees)

<table>
<thead>
<tr>
<th></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>-2.71%</td>
<td>-6.20%</td>
<td>11.43%</td>
<td>7.09%</td>
</tr>
<tr>
<td>NZ Official Cash Rate plus 5%</td>
<td>0.56%</td>
<td>1.69%</td>
<td>7.19%</td>
<td>7.66%</td>
</tr>
<tr>
<td>Over/Under Performance</td>
<td>-3.27%</td>
<td>-6.88%</td>
<td>+4.25%</td>
<td>-0.57%</td>
</tr>
</tbody>
</table>

*Fund inception 24th January 2014

Key Facts

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</thead>
<tbody>
<tr>
<td>Supervisor</td>
<td>Public Trust</td>
<td>Distribution</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Custodian</td>
<td>Public Trust</td>
<td>Return Target</td>
<td>NZ OCR + 5%</td>
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<tr>
<td>Administrator</td>
<td>MMC limited</td>
<td>Recommended Investment Horizon</td>
<td>Long term (at least 5 years)</td>
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<tr>
<td>Auditor</td>
<td>Deloitte</td>
<td>Minimum Initial Investment</td>
<td>$100,000</td>
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<tr>
<td>Liquidity</td>
<td>Daily</td>
<td>Minimum Additional Investment</td>
<td>$1,000</td>
<td></td>
</tr>
</tbody>
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Equity Holdings by Category

- Deep Value 15%
- Value 33%
- Mid Cap Grower 43%
- Small Cap 2%
- Opportunistic 1%

Holdings by Country

- New Zealand Equities 21%
- Australian Equities 42%
- Cash & Term Notes 37%

Largest Holdings

- Vista Group International NZD 6.4%
- Swick Mining Services AUD 6.4%
- Wellcom Group AUD 6.2%
- IVE Group AUD 5.5%
- Corporate Travel Management AUD 5.0%
- Australian Vintage AUD 4.9%
- MacMahon Holdings AUD 4.8%
- Boom Logistics AUD 4.6%
- Michael Hill International NZD 4.6%
- Scott Technology NZD 3.0%
- Other Australasian Listed Holdings 11.4%
- Cash & Debt Instruments 37.2%

Fees

1.05% capped management fee plus a performance fee equal to 1% 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.