Ranger Fund

Performance Commentary
The Ranger Fund was down 1.35% in what was quite a mixed month for the markets generally.

Touchcorp released further information on its proposed merger with Afterpay. The merger makes excellent strategic sense, these two technology businesses are highly complementary. The only question mark over the deal was the respective values attributed to each business in the scheme of arrangement. Ultimately we feel the right balance has been struck for Touchcorp shareholders and its shares were up 11% in May.

On the other side of the ledger, Wallcom Group issued a trading update that indicated 2017 earnings would be 5% below its 2016 numbers. Two clients closed for business in 2017, Dick Smith and Masters, which along with adverse currency moves impacted this year’s revenue. Looking further out 2018 should be a strong year with the addition of Tesson to Wallcom’s client roster; however, the market tends to look shorter term, the stock was down 15%.

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 May 2017 (net of fees)

<table>
<thead>
<tr>
<th></th>
<th>Past Month</th>
<th>Past Quarter</th>
<th>Past Year</th>
<th>Past 3 Years</th>
<th>Since Inception (p.a.)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranger Fund</td>
<td>-1.35%</td>
<td>1.13%</td>
<td>14.17%</td>
<td>8.70%</td>
<td>8.24%</td>
</tr>
<tr>
<td>NZ Official Cash Rate plus 5%</td>
<td>0.56%</td>
<td>1.06%</td>
<td>6.91%</td>
<td>7.69%</td>
<td>7.54%</td>
</tr>
<tr>
<td>Cvr/Undr Performance</td>
<td>-1.91%</td>
<td>-0.53%</td>
<td>+7.26%</td>
<td>+1.01%</td>
<td>+0.70%</td>
</tr>
</tbody>
</table>

*Fund inception 24th January 2014

Key Facts

- **Supervisor**: Public Trust
- **Custodian**: Public Trust
- **Administrator**: MWC limited
- **Auditor**: Deloitte
- **Liquidity**: Daily

Equity Holdings by Category

- **Deep Value**: 15%
- **Value**: 30%
- **Moat**: 0%
- **Opportunistic**: 1%

Holdings by Country

- **New Zealand Equities**: 18%
- **Australian Equities**: 43%
- **Cash & Debt Instruments**: 39%

Growth of $100,000 after fees

- **$120,000**
- **$115,000**
- **$110,000**
- **$105,000**
- **$100,000**
- **$95,000**
- **$90,000**
- **$85,000**
- **$80,000**
- **$75,000**
- **$70,000**
- **$65,000**
- **$60,000**
- **$55,000**
- **$50,000**
- **$45,000**
- **$40,000**
- **$35,000**
- **$30,000**
- **$25,000**
- **$20,000**
- **$15,000**
- **$10,000**
- **$5,000**
- **$0**

**Ranger Fund**

**OCR + 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.