



Ranger Fund

November 2018

Performance Commentary

The Ranger Fund was down 5.56% for the month of October. We take a long-term approach to investing and accept we have little control over the return of the fund on a month by month basis. However, to be down this much in one month is certainly disappointing.

While the general market declines undoubtedly had an impact, the Fund would have been down regardless. During the month four of our companies suffered from negative announcements, which were unrelated to the market or the economy. Having such a large amount of unique and unrelated bad news coinciding with a very nervy market is unusual and unfortunate. The subsequent fall in these four companies share price contributed to most of the Fund's negative return.

Michael Hill announced that an adjustment in its market positioning had resulted in a 10% decline in revenue. AfterPay suffered from news articles speculating that the Australian Securities and Investments Commission intend to review the consumer credit space in which it operates. Kogan issued a negative trading statement, as changes in GST treatment impacted volumes. Corporate Travel was the target of a negative report issued by a respected short seller, VGI.

While the headlines were pretty dismal, digging deeper reveals that, in our opinion, the long-term outlook for these businesses is not as bad as the market is currently assuming.

The trading statements from Kogan and Michael Hill are for the least important quarter of the year. Shares of these companies have been impacted substantially more than the actual financial impact of this quarter. These differences in impacts are because the market is now adjusting all future expectations as a result of these announcements.

Even though AfterPay was frequently mentioned in the news articles citing the commission's review, in our opinion, it is the least at risk. We understand that the model of many payday lenders and finance businesses is to capture the consumer into debt and earn profits from excessive interest rates and lending fees. This is not the business model of AfterPay, which generates most of its revenues from charging the retailer. Tightening regulation in this area may actually be to AfterPay's advantage.

VGI's research report on Corporate Travel has been comprehensively rebuffed by Corporate Travel's Board. However, the report knocked investor confidence resulting in a sharp sell off. Looking longer term we continue to see excellent prospects for this business and for it to continue its strong track record of growth.

Focussing on recent news and extrapolating that into the future is a well understood investment bias, and negative news in a period of market anxiety will certainly amplify that effect. However, looking longer term, we would expect to see price recovery as these news announcements and the recent wave of fear flowing through markets moves into more distant memory.

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 October 2018 (net of fees)

	Past Month	Past Quarter	Past Year	Past 3 Years (p.a.)	Since Inception (p.a.)*
Ranger Fund	-5.56%	-1.74%	15.19%	16.27%	12.18%
NZ Official Cash Rate plus 5%	0.56%	1.66%	6.75%	6.95%	7.31%
Over/Under Performance	-6.12%	-3.40%	+8.44%	+9.32%	+4.87%

*Fund inception 24th January 2014

Key Facts

Supervisor	Public Trust	Distribution	None
Custodian	Public Trust	Return Target	NZ OCR + 5%
Administrator	MMC limited	Recommended Investment Horizon	Long term (at least 5 years)
Auditor	Deloitte	Minimum Initial Investment	\$10,000
Liquidity	Daily	Minimum Additional Investment	\$1,000



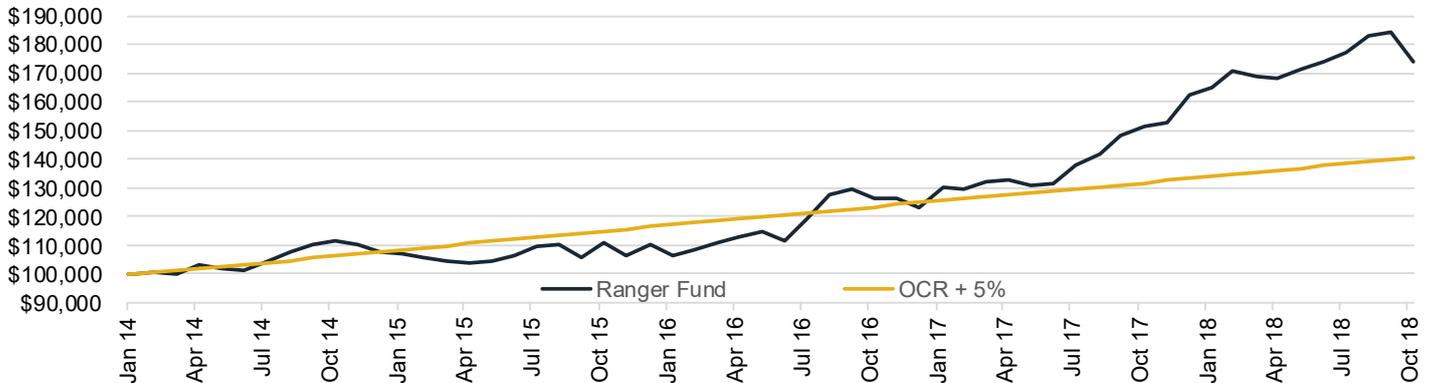
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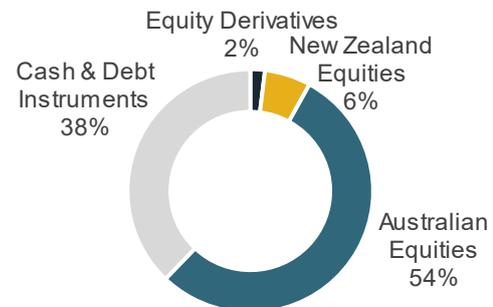
Growth of \$100,000 after fees



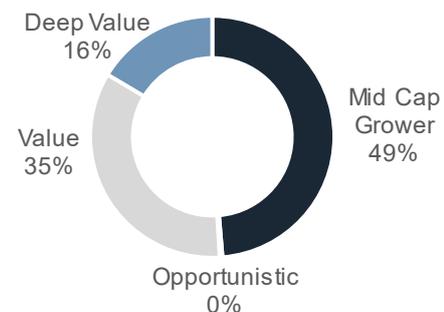
Largest Equity Holdings

Wellcom Group	AUD	7.4%
Afterpay Touch Group	AUD	5.2%
Boom Logistics	AUD	5.0%
Gale Pacific	AUD	5.0%
Vista Group International	NZD	4.9%
IVE Group	AUD	4.8%
MacMahon Holdings	AUD	4.7%
Australian Vintage	AUD	4.7%
Swick Mining Services	AUD	4.5%
Spicers	AUD	4.3%
Other Australasian Listed Holdings		9.6%
Equity Derivatives		1.9%
Cash & Debt Instruments		37.9%

Holdings By Country



Equity Holdings by Category



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.

Castle Point has taken all reasonable care in the preparation of this Factsheet, however accepts no responsibility for any errors or omissions contained within. Past performance is not necessarily an indication of future performance. Opinions expressed in this Factsheet are our view as at the date of issue and may change.

Castle Point Ranger Fund received a 4 Star Overall Morningstar Rating™ and 4 Star 3-Year Morningstar Rating™ out of 26 Equity Region Australasia funds as of 30/09/2018

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The Morningstar Rating is an assessment of a fund's past performance – based on both return and risk – which shows how similar investments compare with their competitors. A high rating alone is insufficient basis for an investment decision.

