



Ranger Fund

August 2015

Performance Commentary

The Ranger Fund delivered another positive month, up 3.5% for July. The main contributor was Macmahon Holdings which added to its positive announcements in June by confirming it had closed off its debt facilities and now held over \$50m cash in the bank, it was up another 19% in July. The A2 Milk Company advised shareholders that no takeover offer was likely in the near term but did give investors a positive operations update, the stock responded positively and was up 15% for the month.

During the month the Fund purchased a modest 1% position in Slater & Gordon. This listed legal business made headlines in June when its share price halved in just 3 days following negative stories around its revenue recognition accounting practices. We were intrigued that a market darling, Slater & Gordon had been one of the ASX best performers, could fall so sharply and suddenly from grace, indeed it suffered the market version of a lightning strike, buffalo stampede. This highlights that many investors did not understand the business and particularly the accounting involved and hence just sold, we are taking the time to investigate fully as this could be a genuinely cheap stock in an expensive market.

Performance to 31 July 2015 (net of fees)

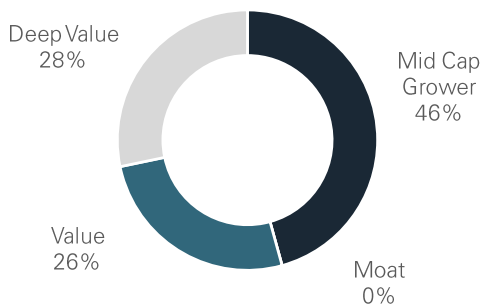
	Past Month	Past Quarter	Past Year	Since Inception (p.a.)*
Ranger Fund	3.53%	6.14%	5.40%	6.11%
NZ Official Cash Rate plus 5%	0.67%	2.04%	8.46%	7.91%
Over/Under Performance	+2.86%	+4.10%	-3.06%	-1.80%

*Fund inception 24th January 2014

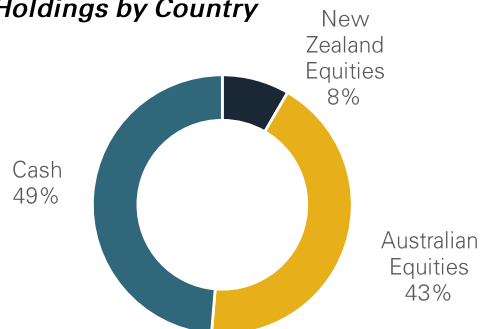
Fund Strategy

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.

Equity Holdings by Category



Holdings by Country



Largest Holdings

Boom Logistics	AUD	7.9%
Wellcom Group	AUD	7.5%
Swick Mining Services	AUD	7.1%
Vista Group International	NZD	6.9%
MacMahon Holdings	AUD	6.6%
Corporate Travel Management	AUD	4.7%
Australian Vintage	AUD	4.5%
Touchcorp	AUD	2.8%
A2 Milk Company	NZD	1.5%
Paperlinx SPS Trust	AUD	0.9%
Slater & Gordon	AUD	0.9%

Cash & Short Term Notes 48.7%

Portfolio Characteristics

Dividend Yield	2.0%
Price/Earnings ratio	27.5x
Price/Free Cash Flow ratio	18.7x
Price/Book Value ratio	2.8x
Return on Equity	8.4%
Earnings Growth	39.3%
Gearing	8.4%

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.