



Ranger Fund

December 2015

Performance Commentary

The Ranger Fund returned a negative 3.9% for the month of November

The principle drag on performance was Slater & Gordon which we had increased to a 5% position following an extensive research process. That research gave us strong conviction that the long term upside in this company merited a larger position in the Fund. During the month a story broke from the UK that spooked the market. The government outlined a proposal to change how soft tissue claims might be handled in the future. The proposal (and it must be remembered that it is just a proposal at this stage), if introduced, could have a negative impact on Slater & Gordon's UK business. Investor confidence had been significantly undermined before this, as discussed in our previous commentaries, this latest blow created a panic that led to hysteria. The share price fell over 75% in just two days. In our opinion this was a significant overreaction and we purchased more shares to maintain our 5% position. Our strong conviction based on deep research meant that we remained calm and took advantage of the hysteria. So the Ranger Fund experienced volatility in November but suffered no losses (i.e. we did not panic and sell). Already in the first few days of December, Slater & Gordon has recovered strongly and we expect that trend to continue.

Performance to 30 November 2015 (net of fees)

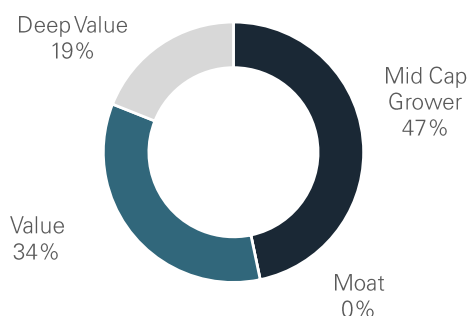
	Past Month	Past Quarter	Past Year	Since Inception (p.a.)*
Ranger Fund	-3.89%	-3.06%	-3.07%	3.37%
NZ Official Cash Rate plus 5%	0.62%	1.88%	8.24%	7.90%
Over/Under Performance	-4.50%	-4.94%	-11.31%	-4.53%

*Fund inception 24th January 2014

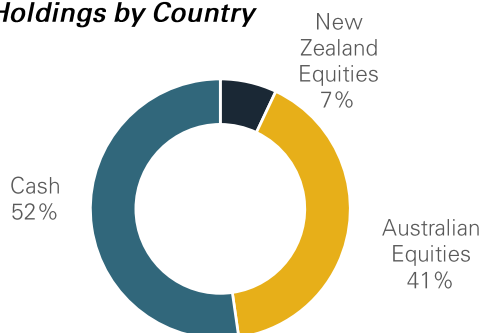
Fund Strategy

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

Wellcom Group	AUD	7.7%
Slater & Gordon	AUD	5.5%
Swick Mining Services	AUD	5.1%
Vista Group International	NZD	5.1%
Corporate Travel Management	AUD	5.0%
Australian Vintage	AUD	4.9%
MacMahon Holdings	AUD	4.8%
Boom Logistics	AUD	4.2%
Touchcorp	AUD	2.6%
Scott Technology	NZD	1.9%
Paperlinx SPS Trust	AUD	0.9%
Cash & Term Notes		52.3%

Portfolio Characteristics

Dividend Yield	2.9%
Price/Earnings ratio	13.1x
Price/Free Cash Flow ratio	5.7x
Price/Book Value ratio	0.4x
Return on Equity	3.3%
Earnings Growth	26.3%
Gearing	15.7%

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.

