



Ranger Fund

October 2015

Performance Commentary

After a very good August the recent market volatility caught up with the Ranger fund and it was down 3.9% for September. Even though there was a complete absence of any company specific news, shares in our mining services companies were impacted by heightened levels of media attention on the outlook for iron ore prices.

We concur that the outlook for iron ore looks weak and indeed we have avoided this segment. Our investments in mining services are mainly exposed to other commodities, many of which ironically will benefit from the weak Australian dollar caused by iron ore's gloomy outlook.

However, companies in this sector are currently being tarred with the same brush regardless. While this is creating some fantastic long term opportunities, monthly performance can be impacted by these large but short-term sentiment swings. We remain highly confident that being patient will ultimately be highly rewarding.

The largest change in the Fund was the increased investment in Slater & Gordon. Our in depth research into the accounting and governance of the business led us to the conclusion that this company is a classic value opportunity. The market has been excessively negative in its outlook and this has given the Fund a very attractive entry point.

Performance to 30 September 2015 (net of fees)

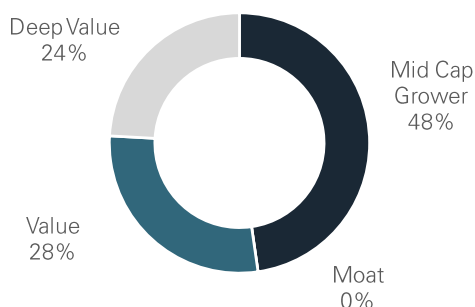
	Past Month	Past Quarter	Past Year	Since Inception (p.a.)*
Ranger Fund	-3.89%	-0.44%	-4.12%	3.18%
NZ Official Cash Rate plus 5%	0.62%	1.96%	8.36%	7.91%
Over/Under Performance	-4.52%	-2.40%	-12.48%	-4.73%

*Fund inception 24th January 2014

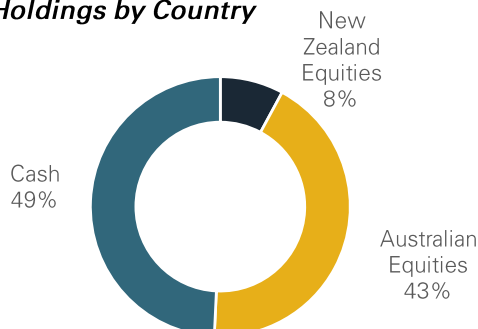
Fund Strategy

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	9.3%
Boom Logistics	AUD	6.8%
Vista Group International	NZD	6.1%
MacMahon Holdings	AUD	5.4%
Swick Mining Services	AUD	5.2%
Corporate Travel Management	AUD	4.9%
Australian Vintage	AUD	4.1%
Touchcorp	AUD	2.9%
Slater & Gordon	AUD	2.5%
Paperlinx SPS Trust	AUD	1.6%
A2 Milk Company	NZD	0.9%
Seadragon	NZD	0.9%
Cash & Term Notes		49.3%

Portfolio Characteristics

Dividend Yield	2.3%
Price/Earnings ratio	24.5x
Price/Free Cash Flow ratio	8.0x
Price/Book Value ratio	0.5x
Return on Equity	2.1%
Earnings Growth	37.9%
Gearing	13.9%

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.