



Ranger Fund

September 2015

Performance Commentary

The Ranger Fund delivered a very modest positive return in August, up 0.1%. However, we are reasonably satisfied with this outcome given the back drop of nascent market panic, S&P/NZX50 -4.5% and the S&P/ASX200 -8.6%.

All eleven companies held by the Fund reported during the month. In our humble opinion none of them delivered up any negative surprises but that didn't stop the market taking to a couple of them. Boom Logistics and Vista Group were bang in line but were sold off 12% and 10% respectively in August.

On the plus side Wellcom Group, our largest position, reported a 14% increase in profit and guided to at least double digit growth continuing into 2016. This company has become a truly global provider of content creation and production that is adapting superbly to a world of greater digital content. Its already healthy growth prospects may be nearing an inflection point as it is now pitching for large global accounts such as Castrol and L'Oréal. The stock traded up 22% for the month. The other stand out result came from Paperlinx which reported that, having exited Europe and North America, its Australasian business made a steady \$15m of EBIT in 2015 and they expected growth going forward. The business is also going to be renamed Spicers Limited, the preference shares were up 79% for the month.

Performance to 31 August 2015 (net of fees)

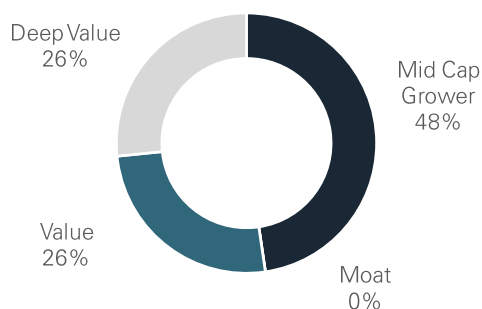
	Past Month	Past Quarter	Past Year	Since Inception (p.a.)*
Ranger Fund	0.05%	5.39%	1.97%	5.83%
NZ Official Cash Rate plus 5%	0.66%	2.00%	8.42%	7.92%
Over/Under Performance	-0.60%	+3.39%	-6.45%	-2.09%

*Fund inception 24th January 2014

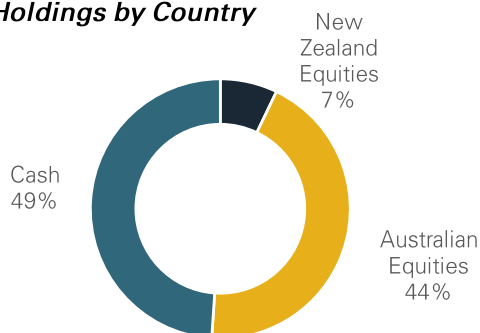
Fund Strategy

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	7.0%
Swick Mining Services	AUD	6.7%
MacMahon Holdings	AUD	6.6%
Vista Group International	NZD	6.2%
Corporate Travel Management	AUD	4.9%
Australian Vintage	AUD	4.0%
Touchcorp	AUD	3.0%
Paperlinx SPS Trust	AUD	1.6%
A2 Milk Company	NZD	0.9%
Slater & Gordon	AUD	0.9%

Cash & Short Term Notes 48.9%

Portfolio Characteristics

Dividend Yield	2.2%
Price/Earnings ratio	26.6x
Price/Free Cash Flow ratio	16.9x
Price/Book Value ratio	2.7x
Return on Equity	8.4%
Earnings Growth	34.1%
Gearing	6.2%

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.