



## Trans-Tasman Portfolio

August 2015

### Performance Commentary

Our July return was up 3.8% versus the S&P/NZX50 Index which was up 3.4%. 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 Portfolio built a small 1% overweight position in Kathmandu following the announcement of the Briscoes takeover bid. The rationale for this was two fold. The chance of an increased bid from Briscoes to get the deal over the line and the end game of a very well managed Australasian retailer. Downside appears limited given the line in the sand effectively drawn by Briscoes at \$1.80.

The Portfolio also purchased a modest 0.5% 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. 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 (Gross of fees & incl IC's)

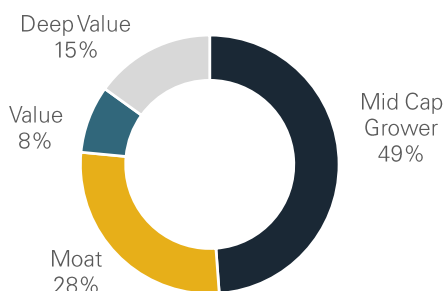
	Past Month	Past Quarter	Past Year	Since Inception (p.a.)*
Trans-Tasman Portfolio	3.76%	4.87%	17.69%	16.37%
S&P/NZX50 Index including IC's	3.40%	2.51%	16.27%	14.24%
Out/Under Performance	+0.36%	+2.36%	+1.42%	+2.14%

\*Portfolio inception 17th January 2014

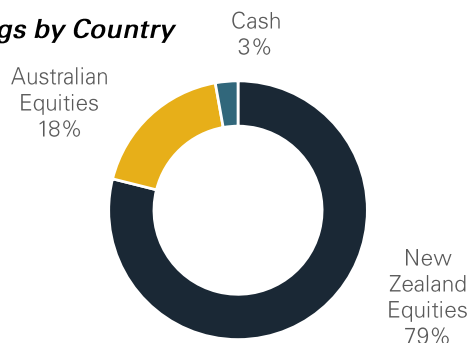
### Portfolio Strategy

The Castle Point Trans-Tasman Portfolio invests in New Zealand and Australian Listed Companies and is benchmarked to the S&P/NZX 50 Index. The objective of the Portfolio is to outperform the benchmark over rolling three year periods. With its high active share the Portfolio targets a tracking error of between 4-6% and will typically have less than 5% in cash at any time.

### Equity Holdings by Category



### Holdings by Country



### Largest Overweight Positions

Vista Group International	NZD	4.7%
Wellcom Group	AUD	4.1%
Freightways	NZD	3.5%
Swick Mining Services	AUD	3.1%
Boom Logistics	AUD	2.9%
Macmahon Holdings	AUD	2.2%
Port of Tauranga	NZD	1.9%
Corporate Travel Management	AUD	1.9%
Trade Me Group	NZD	1.9%
Australian Vintage	AUD	1.9%
Contact Energy	NZD	1.7%
A2 Milk Company	NZD	1.5%
Touchcorp	AUD	1.2%
Kathmandu Holdings	NZD	1.0%
Meridian Energy	NZD	1.0%

### Largest Underweight Positions

Xero	NZD	-2.3%
Air New Zealand	NZD	-2.1%
Chorus	NZD	-1.7%
Precinct Properties New Zealand	NZD	-1.7%
Westpac Banking Corporation	NZD	-1.5%
Ebos Group	NZD	-1.5%
Summerset Group Holdings	NZD	-1.4%
Nuplex Industries	NZD	-1.3%
Kiwi Property Group	NZD	-1.3%
Argosy Property	NZD	-1.3%
Auckland International Airport	NZD	-1.3%
Fisher & Paykel Healthcare	NZD	-1.2%
Vector	NZD	-1.2%
Ryman Healthcare	NZD	-1.1%
Sky City Entertainment Group	NZD	-1.1%

### Fees

The Trans-Tasman Portfolio is currently being run as an individually managed account with fees as agreed with each client.