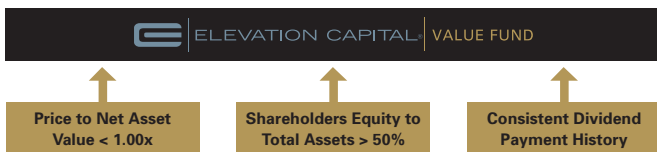


**Description and Investment Strategy**

The Value Fund is an investment fund which enables investors who are seeking long-term capital growth to invest in equities on a global basis, while at the same time adhering to a “Margin of Safety” investment philosophy. The strategy of the Value Fund is to primarily acquire stocks trading at a discount in relation to their net asset value, with low debt levels, and which have a history of paying dividends. Elevation Capital implements this approach by initially screening for stocks based on the following conservative value investment criteria:



Elevation Capital then conducts a bottom-up qualitative overlay to:

- Identify hidden assets on the balance sheet [e.g. real estate or investment assets at historic cost]
- Review debt profile and contingent liabilities
- Discount intangibles / goodwill where appropriate
- Attempt to avoid poor management, whose interests are not aligned with shareholders

Elevation Capital’s bottom-up, proprietary research tends to lead the Fund to investment opportunities in medium and smaller capitalization companies in out of favour or overlooked industries / sectors. The Fund invests long only and is indifferent to index compositions. Given our strict value discipline the Fund may hold a portion of assets in cash during periods when attractive investments cannot be found.

*Please see separate risk disclosure statement on the next page for further important information.*

**Current Unit Price / Key Information**

|                             |                              |
|-----------------------------|------------------------------|
| CURRENT UNIT PRICE          | NZ\$ 1.0756                  |
| Application Price           | NZ\$ 1.0820                  |
| Redemption Price            | NZ\$ 1.0756                  |
| Number of Holdings          | 84                           |
| Number of Countries         | 15                           |
| FX Hedges                   | Nil                          |
| Fund Size                   | NZ\$ 5.669mIn                |
| Units on Issue              | 5,270,477 units              |
| Unlisted Investments / OTC* | 4.81% [NZ / US]              |
| Fund Manager                | Christopher Swasbrook        |
| Inception Date              | 09 December 2008             |
| Unit Pricing / Update       | Monthly                      |
| Investor Letters            | Quarterly                    |
| Investment Horizon          | 5 years+                     |
| Benchmark                   | NZ CPI +5.00%                |
| Management Fee              | 0.95%                        |
| Performance Fee             | 20% of gains above benchmark |
| High-Water Mark             | Yes                          |

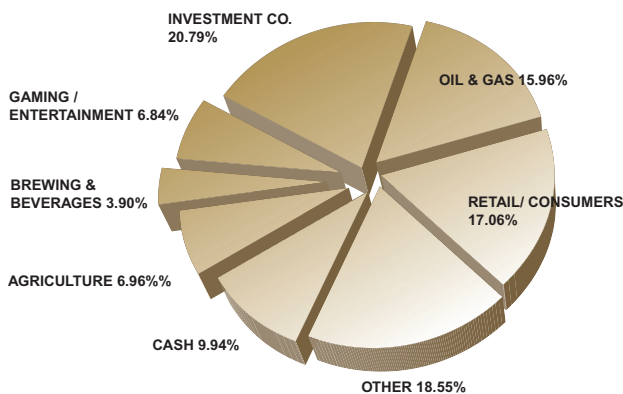
\* OTC = Over-The-Counter  
Buy Spread of 0.6% is paid to the Fund.  
Exit Price is before Break Fees payable to the Manager.  
The Break Fees are detailed in the Investment Statement, Prospectus and Establishment Deed. All of which are available at [www.elevationcapital.co.nz](http://www.elevationcapital.co.nz) or on request from the Manager.

**Portfolio Investment Returns**

|                 | VALUE FUND<br>(+/- %)<br>[NET] | MSCI World Value<br>[NZD]<br>[GROSS] |
|-----------------|--------------------------------|--------------------------------------|
| August - 2011   | -3.96%                         | -5.43%                               |
| Quarter         | -7.90%                         | -13.53%                              |
| Financial YTD   | -11.13%                        | -20.94%                              |
| 2011            | -7.11%                         | -15.10%                              |
| Last 12 months  | -3.38%                         | -10.60%                              |
| Since Inception | +7.56%                         | -19.58%                              |

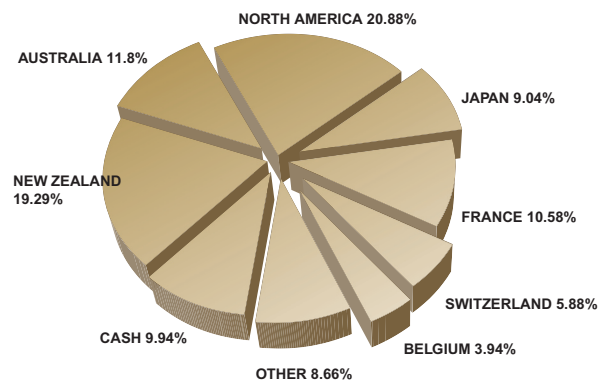
Performance returns are calculated using exit price to exit price, net of taxes and ongoing fees, but excluding entry costs and break fees and any individual taxes. The performance quoted represents past performance, which does not guarantee future results.  
The investment return and principal value of an investment in the Fund will fluctuate, so that an investor’s units in the Fund, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted.

**Portfolio Composition - Industry**



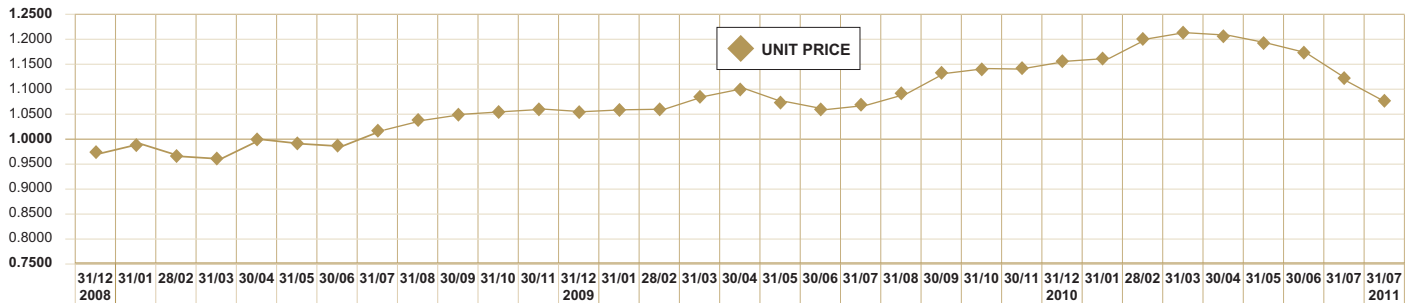
Total number of securities: 84

**Portfolio Composition - Market**

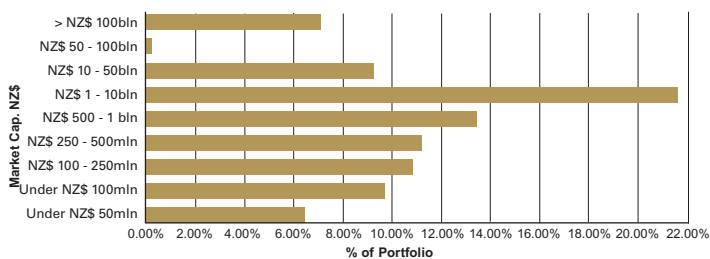


Total number of securities: 84

### Fund NAV – Since Inception



### Portfolio by Market Capitalisation



### Portfolio Characteristics

|                                   |               |
|-----------------------------------|---------------|
| Portfolio Turnover <sup>1</sup>   | 4.92%         |
| Median Market Cap. <sup>2</sup>   | NZ\$ 1.096bln |
| Weighted Market Cap. <sup>2</sup> | NZ\$ 616mln   |
| Price-to-Book <sup>2</sup>        | 0.80x         |
| Dividend Yield <sup>2</sup>       | 3.23%         |
| Total Debt-to-Equity <sup>2</sup> | 0.32x         |

<sup>1</sup> Based on trading activity for the period 1 July 2010 – 30 June 2011  
<sup>2</sup> Source: Thomson Portfolio Analytics; based on listed equities only – excludes all unlisted equity investments held by the fund & Schweizerische Nationalbank in Switzerland.

### Other Information

|                                       |   |
|---------------------------------------|---|
| Fund Domicile                         | New Zealand   |
| Investable Asset Classes              | Global Equities & NZD Cash  |
| Leverage                              | Nil   |
| Short Selling                         | Nil   |
| Max Position Size                     | 2.50%   |
| Trustee                               | NZGT - New Zealand Guardian Trust   |
| Auditors / Tax                        | KPMG  |
| Fund Administrators                   | MMc Limited   |
| Custodian                             | Public Trust  |
| Entry Cost                            | 0.60% (“buy spread” to cover the Fund’s transaction costs)  |
| Exit Cost / Break Fee                 | 5.00% (if investor exits within 12 months)<br>3.50% (if investor exits after 12 but before 24 months)<br>2.00% (if investor exits after 24 but before 36 months)<br>Nil (if investor exits after 36 months) |
| Trustee Fee*                          | 0.10% pa of the Gross Asset Value of the Fund (min. fees apply)   |
| Fund Administration Fee*              | 0.225% pa of the Gross Asset Value of the Fund (min. fees apply)  |
| Custodial Fee*                        | 0.025% pa upto NZ\$100mln of FUM – (min. fees apply)  |
| Distribution Policy                   | Nil – the manager reserves the right to change the distribution policy  |
| Minimum Initial Investment            | NZ\$ 5,000  |
| Minimum Regular Contribution          | NZ\$ 100  |
| Regular Contribution Plan             | Monthly, Quarterly, Annually  |
| Redemption                            | Monthly (with 30 days’ notice in writing)   |
| Registered Financial Service Provider | Yes - Elevation Capital Management Limited (“the Manager”)  |
| FSP number                            | FSP9601   |
| Dispute Resolution Scheme             | Insurance & Ombudsman Scheme  |

\*GST will be charged at 15% on 10% of the Management Fee, 10% of the Performance Fee, 75% of the Trustee Fee, and 100% of the Fund Administration and Custodial Fees.

### Risk Disclosure Statement

The information contained in this report has been prepared solely for informational purposes. It is not an offer to buy or sell or a solicitation of an offer to buy or sell units in the Elevation Capital Value Fund, a recommendation of any security or to participate in any trading strategy. If any offer of units in the Elevation Capital Value Fund is made, it shall be pursuant to a definitive Investment Statement and Prospectus prepared by or on behalf of the Elevation Capital Value Fund. Any decision to invest in the Elevation Capital Value Fund should be made only after reviewing the definitive Investment Statement and Prospectus (available at [www.elevationcapital.co.nz](http://www.elevationcapital.co.nz) or by contacting Elevation Capital Management Limited, PO Box 911145, Victoria Street West, Auckland 1142, New Zealand), conducting such investigations as the investor deems necessary and consulting the investor’s own investment, legal and tax advisors in order to make an independent determination of the suitability and consequences of an investment in the Elevation Capital Value Fund. All performance data, portfolio composition data and risk targets contained in this report are subject to revision by Elevation Capital Management Limited and are provided solely as a guide to current expectations. There can be no assurance that the Elevation Capital Value Fund will achieve any targets or that there will be any return on or of capital.

Elevation Capital Management Limited, its directors, employees and agents believe that the information herein is correct at the time of compilation; however they do not warrant the accuracy of the information. Save for any statutory liability which cannot be excluded, Elevation Capital Management Limited further disclaims all responsibility or liability for any loss or damage which may be suffered by any person relying on any information or any opinions, conclusions or recommendations contained herein whether that loss or damage is caused by any fault or negligence on the part of Elevation Capital Management Limited, or otherwise.

International investments involve special risks, including currency fluctuations, lower liquidity, different accounting methods, economic and political systems. These risks are typically greater in emerging markets. The Elevation Capital Value Fund may invest a significant portion of its assets in the stocks of small and medium-sized companies, which tend to be more volatile and less liquid than those of large companies, may have underperformed the stocks of larger companies during some periods and tend to have a shorter history of operations than larger companies. Potential investment risks are discussed in the Investment Statement.