

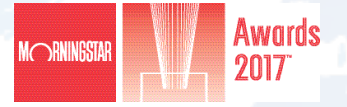


# ELEVATION CAPITAL<sup>®</sup> VALUE FUND

The Value Fund is a Portfolio Investment Entity (PIE) that seeks to provide investors with long-term capital growth and income by directly investing in equities on a global basis, while at the same time adhering to a "Margin of Safety" investment philosophy. The strategy of the Fund is to mainly invest in shares of entities trading at a discount in relation to the entities' net asset value/intrinsic value\*, with low debt levels\*\*, which have a history of paying dividends and/or returning capital to shareholders and have some sort of economic moat e.g brands, franchises, other.

\* Net Asset Value / Intrinsic Value – is also referred to as "Private Market Value". Collectively we define them as the value an informed buyer would pay to purchase assets with similar characteristics. We measure Net Asset Value/Intrinsic Value or Private Market Value by scrutinising on and off balance sheet assets, liabilities, and free cash flow. We also examine valuations and transactions in the public domain to formulate our view of possible future value.

\*\* Low Debt Levels – can be assessed relative to tangible and/or intangible assets, free cash flow, the industry in which an entity operates, or relative to peers within an industry.



**MORNINGSTAR  
INTERNATIONAL EQUITIES  
CATEGORY FUND MANAGER OF  
THE YEAR 2017, NEW ZEALAND**

## KEY INFORMATION AS AT 31 MAY 2017

### UNIT PRICE

# NZ\$1.5846

### TOP 5 POSITIONS

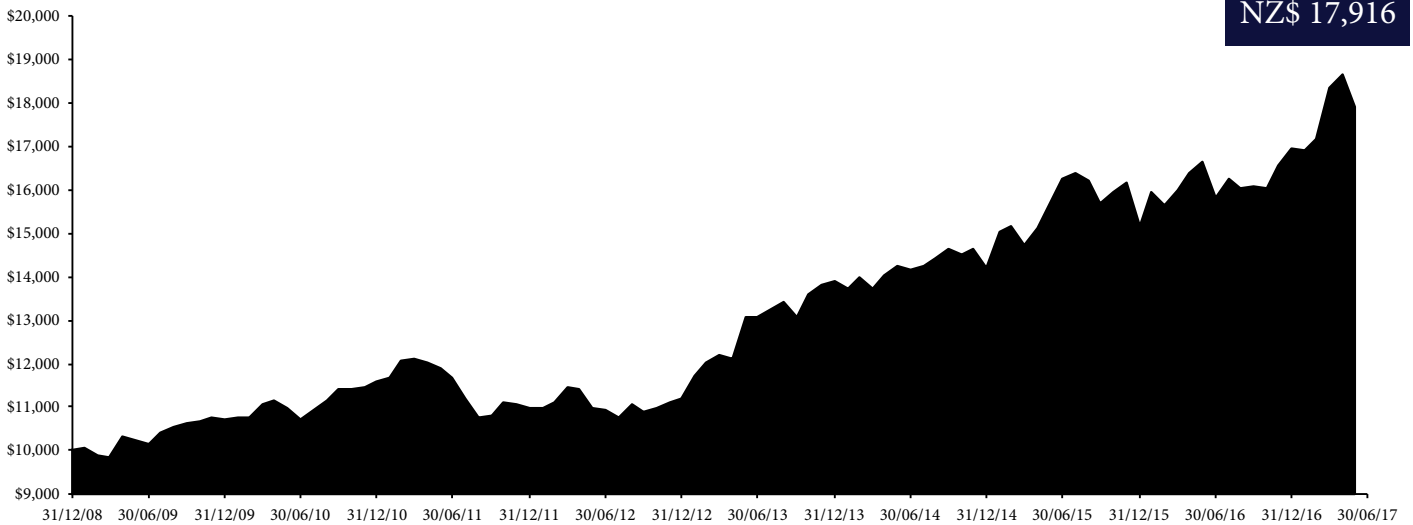


### FUND RISK INDICATOR



\* The historical returns data used to calculate the level of risk may not constitute a reliable indicator of the future risk profile of the Fund. The risk category associated with this fund is not guaranteed and can change over time. No benchmark data has been used in this calculation.

## VALUE OF NZ\$ 10,000 INVESTED (INCLUDING DISTRIBUTIONS)



## HISTORICAL PERFORMANCE & AVERAGE CASH BALANCE

Performance	1 Month	FYTD*	CYTD**	2 Years Annualised	3 Years Annualised	5 Years Annualised	7 Years Annualised	Since Inception Annualised
Value Fund Net* NZ\$	-3.95%	-2.26%	5.84%	6.99%	7.89%	10.29%	7.22%	7.12%
Value Fund Net* USD**	-0.70%	-0.76%	7.73%	6.87%	1.64%	9.04%	7.90%	9.94%
Value Fund Net* AUD**	-0.25%	1.69%	4.78%	8.36%	9.49%	14.97%	9.86%	8.99%
Value Fund Net* EUR**	-3.84%	-5.61%	1.05%	5.52%	8.41%	11.13%	9.35%	12.40%
Value Fund Net* GBP**	-0.48%	-3.87%	3.11%	16.19%	10.91%	12.94%	9.83%	12.33%
Average Cash Balance***	-	26.96%	25.84%	19.81%	20.65%	21.00%	22.52%	27.11%
NZ Domiciled Investor Returns based on Prescribed Investor Rate (PIR):								
0% PIR Return	-3.89%	-2.19%	6.11%	7.29%	8.23%	10.62%	n/a	7.55%
10.5% PIR Return	-3.83%	-2.17%	6.08%	7.11%	7.92%	10.36%	n/a	7.25%
17.5% PIR Return	-3.78%	-2.13%	6.07%	7.00%	7.73%	10.18%	n/a	7.10%
28%**** PIR Return	-3.72%	-2.10%	6.04%	6.81%	7.41%	9.91%	n/a	6.84%

\* Net of fees, expenses and taxes (accrued in the Fund).

\*\* USD/AUD/EUR/GBP performance numbers are calculated using spot FX rates (at month end) and are provided for informational purposes only.

\*\*\* The average cash balance calculation is based on month end data from the Fund Administrator (MMC Limited) reports.

\*\*\*\* 28% is effective from 30 September 2010. Prior to that 30% from 31 March 2008.

\* Financial year to date (FYTD) for year beginning - 1 April 2017.

\*\* Calendar year to date (CYTD) for year beginning - 1 January 2017.

All performance returns detailed above are calculated using exit price to exit price, net of taxes and ongoing fees, but excluding entry costs (if any) and any individual taxes. The returns include reinvestment of all distributions. 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. Morningstar Awards 2017 (c). Morningstar, Inc. All Rights Reserved. Awarded to Elevation Capital for International Equities Category Fund Manager of the Year 2017, New Zealand.

Current performance may be lower or higher than the performance data quoted.

FUND DATA

**NZ\$ 25.18M**  
FUND SIZE

**NEW ZEALAND**  
DOMICILE

**9 DECEMBER 2008**  
INCEPTION DATE

**NIL (UNHEDGED)**  
FX HEDGING

**26**  
NUMBER OF HOLDINGS

**8**  
NUMBER OF COUNTRIES

**NZ\$ 5.36B**  
WEIGHTED MEDIAN MARKET CAP\*

**99.56%\*\***  
ACTIVE SHARE\*

**2.47%**  
GROSS DIVIDEND YIELD OF HOLDINGS\*

**35.11%\*\*\***  
AVERAGE PORTFOLIO TURNOVER SINCE INCEPTION

\* Source: Thomson Reuters Eikon

\*\* It is the proportion of security holdings in the Fund's composition that is different from the composition found in iShares MSCI ACWI ETF Fund (It is 99.50% vs iShares MSCI World UCITS ETF Fund).

\*\*\* Last 12 months = 50.53%

FUND HOLDINGS

Company	Domicile	% of Portfolio	Year First Purchased	Change in Holding This Month	Presentation on Website	Company	Domicile	% of Portfolio	Year First Purchased	Change in Holding This Month	Presentation on Website
AMC NETWORKS		3.89%	2016	↑		MSG NETWORKS		2.94%	2015	—	
<small>Arno's Diner</small>		3.85%	2014	—	●	<b>VIACOM</b>		2.90%	2014	↑	●
<b>SWATCH GROUP</b>		3.80%	2014	—		<b>Givaudan</b>		2.81%	2015	—	
DISCOVERY COMMUNICATIONS		3.78%	2015	↑	●	<b>DIAGEO</b>		2.69%	2014	—	●
<b>COTY</b>		3.71%	2017	—	●	<b>Contact</b>		2.54%	2016	—	
<b>TIFFANY &amp; CO.</b>		3.65%	2012	—	●	DeLaRue		2.47%	2015	—	●
<b>JCDecaux</b>		3.61%	2016	—		<b>Time Inc.</b>		2.10%	2014	↑	
<b>COACH</b>		3.49%	2015	—	●	<b>APN OUTDOOR</b>		1.99%	2017	★	
OAKTREE		3.37%	2015	—		Skyline Enterprises		1.46%	2009	—	●
Edgewell™ PERSONAL CARE		3.31%	2016	—	●	<b>LUXOTTICA</b>		1.36%	2016	—	●
pental		3.23%	2014	—	●	Lbrands		0.72%	2017	★	
<b>NZX</b>		3.16%	2016	—		BROWN-FORMAN		0.07%	2017	—	
TOD'S		3.05%	2014	—	●	Cash		27.09%		↑	(up from 26.83%)
<b>SCHOLASTIC</b>		2.97%	2013	—	●						

The maximum position size permitted within the Fund is equivalent to 5.00% of Net Asset Value.

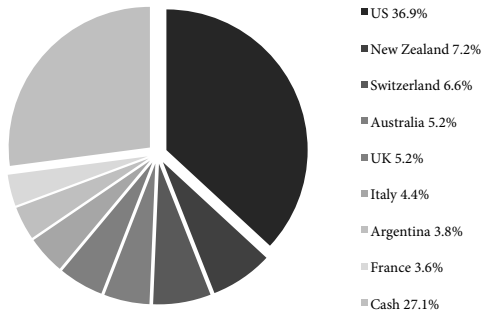
★ New Position    ↑ Increased Position    ↓ Decreased Position    — No Change

EXITED INVESTMENTS THIS MONTH

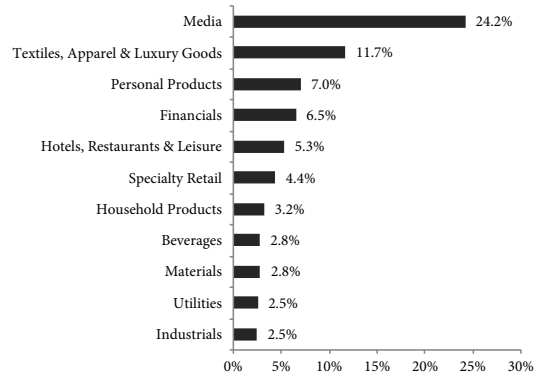
**Tribune Media**  
**+21.7%**  
ANNUALISED RETURN (USD)  
**1.5YRS**  
HOLDING PERIOD

\* For a complete list of 2017 Investment Realisations refer to Page 4

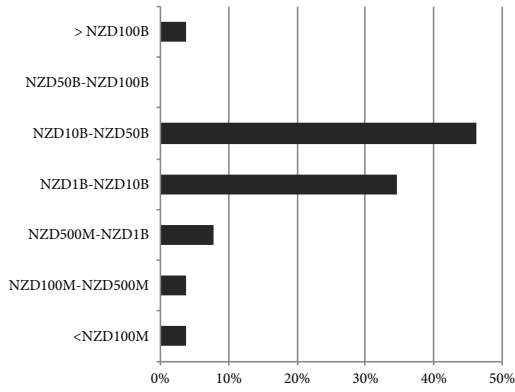
PORTFOLIO BY COUNTRY



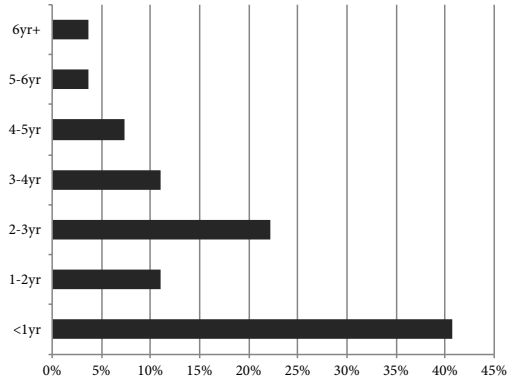
PORTFOLIO BY INDUSTRY



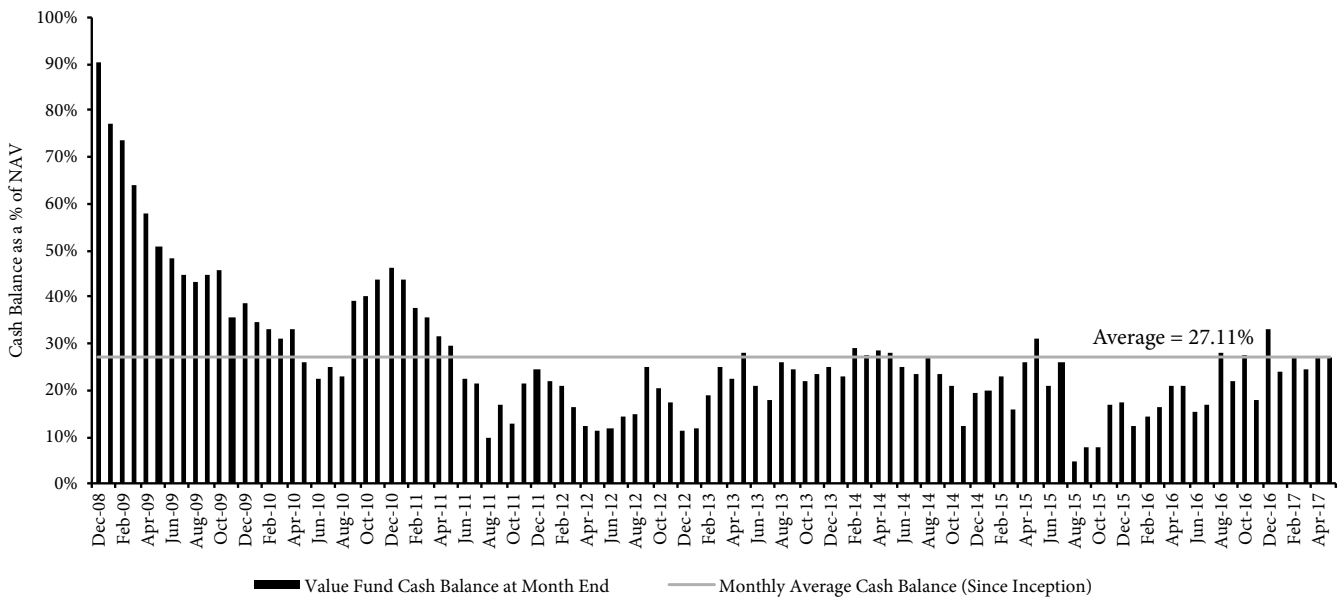
PORTFOLIO BY MARKET CAP



PORTFOLIO BY HOLDING PERIOD







HISTORICAL CASH BALANCE



## 2017 INVESTMENT REALISATIONS

<b>2</b> REALISED INVESTMENTS IN 2017 (AS AT 8 MAY)	<b>2</b> REALISED POSITIONS WERE PROFITABLE IN 2017 (IN LOCAL CURRENCY TERMS)	<b>0</b> REALISED POSITION WAS UNPROFITABLE IN 2017 (IN LOCAL CURRENCY TERMS)	<b>+22%</b> AVERAGE RETURN ON PROFITABLE REALISED INVESTMENTS (IN LOCAL CURRENCY TERMS)	<b>100%</b> BATTING AVERAGE* IN 2017 (IN LOCAL CURRENCY TERMS)
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## 2017 REALISED INVESTMENTS BY COMPANY

Company	Domicile	Initial Position	Exited Position	Holding Period (Years)	Total Return (Local Currency)	Per Annum Return** (Local Currency)	Presentation on Website
 APN OUTDOOR		Aug 2016	Feb 2017	0.5 yrs	+15.0%		
 Tribune Media		Oct 2015	May 2017	1.5yrs	+29.9%	+21.7%	

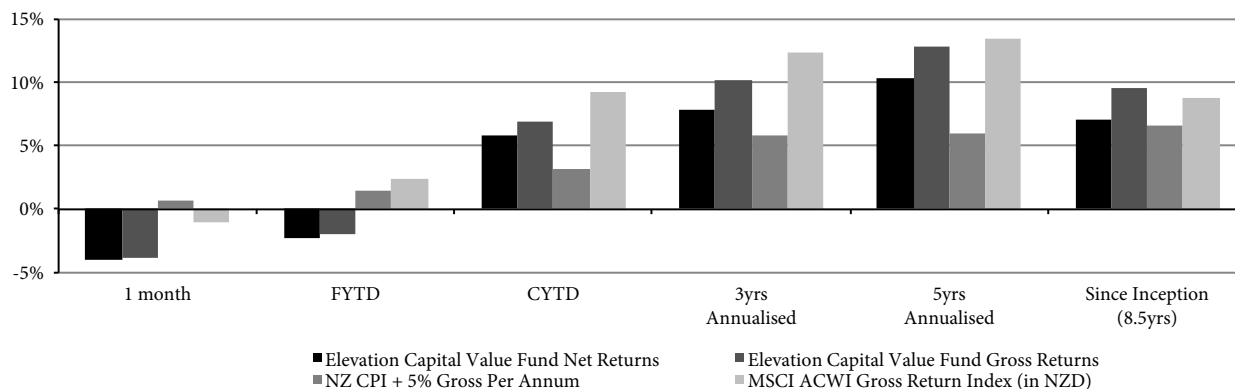
\* We define "Batting Average" as the number of realised investments in 2017 that were profitable vs. unprofitable.

\*\*We define "Per Annum Return" as the Internal Rate of Return (IRR) for a given investment. This is the percentage rate earned on each dollar invested for each period it is invested. We have only published "Per Annum Returns" for holdings greater than one year in duration.

Past performance is not an indication of future returns.

## FUND PERFORMANCE (NET AND GROSS) VS. NZ CPI+5% PER ANNUM (GROSS) & MSCI ACWI (GROSS)

For comparative purposes we have detailed two informational benchmarks we consider relevant to underlying (and prospective) investors in the Value Fund. These are NZ CPI + 5% per annum (Gross Return) which we believe highlights to investors whether we are preserving and growing their real purchasing power overtime and the MSCI All Country World Index (ACWI) Gross Return Index in NZD terms. It is important to consider that our portfolio does not track or follow any index (refer the Funds Active Share statistics on page 2), and we consistently operate with conservative cash levels. We would also highlight that these two informational benchmarks are not provided for performance fee calculations as there are no performance fees charged or payable within/by the Fund.



NZ CPI data sourced from Statistics NZ.  
\* Data Source: Morningstar Direct

## DISTRIBUTION HISTORY & REINVESTMENT RATE

	2017	2016	2015	2014	2013
Paid as at 31 March					
Cents Per Unit (cpu)	3.75	3.55	3.50	2.625	2.50
Reinvestment Rate (%)	69%	71%	70%	62%	49%

## TOTAL EXPENSE RATIO & FEES

Year Ending - 31 March	2017*	2016	2015	2014	2013
Average Funds Under Management	NZ\$ 24,071,586	NZ\$ 20,680,619	NZ\$ 13,820,756	NZ\$ 11,626,062	NZ\$ 14,583,474
Total Expense Ratio** (%)	2.20%	1.98%	2.19%	2.04%	1.97%
Total Management and Administration Charges	NZ\$ 530,675	NZ\$ 409,770	NZ\$ 302,056	NZ\$ 237,727	NZ\$ 286,809
- Manager's Basic Fee	NZ\$ 305,673	NZ\$ 262,284	NZ\$ 175,616	NZ\$ 147,739	NZ\$ 185,309
- Other Management & Administration Charges	NZ\$ 225,002	NZ\$ 147,486	NZ\$ 126,440	NZ\$ 89,988	NZ\$ 101,500
Performance-Based Fees	Nil	Nil	Nil	Nil	Nil

\* 2017 based on unaudited figures as at the date of this month-end summary.  
All Fees charged by Elevation Capital Management Limited, the Trustee and the Fund Administrator are detailed in the Product Disclosure Statement and Establishment Deed.  
All of which are available at [www.elevationcapital.co.nz](http://www.elevationcapital.co.nz) or on request free of charge from the Manager.

\*\* Total Expense Ratio Definition: Total Expense Ratio (TER) expresses the expense ratio for a fund or unit of a fund against the average NAV (of the fund or unit respectively) over a given period in the past. The TER should reflect the past record, and should not be an estimate for the present or future. In other words, the TER is the annual percentage reduction in investor returns that would result from operating costs if markets were to remain flat and the fund's portfolio were to be held and not traded during a period.

## MANAGEMENT FEE SCALE

NAV of the Fund (NZ\$)	<\$25m	\$25m - \$30m	\$30m - \$35m	\$35m - \$40m	\$40m - \$45m	\$45m - \$50m	>\$50m
Management Fee (%)	1.25%	1.20%	1.15%	1.10%	1.05%	1.00%	0.95%

(% pa of the Net Asset Value of the Fund)

## ADDITIONAL INFORMATION

Trustee/Supervisor: Public Trust  
Administrator: MMC Limited  
Custodian: Public Trust  
Sub-Custodian: BNP Paribas  
Auditor: KPMG  
Tax Advisor: EY

Entry / Exit Fees: Nil  
Performance Fees: Nil  
Distribution Policy: Annually  
at Manager's Discretion  
Minimum Initial Investment: NZ\$ 5,000  
Minimum Regular Contribution: NZ\$ 100  
(Monthly / Quarterly / Annually)  
Redemption Terms: Monthly  
(with 1 business day notice)

Directors & Executives Holdings in Fund  
(incl. Associates)\*  
= 1,072,528 units / NZ\$ 1,699,528  
Executives making monthly regular  
contributions\*: 3/3\*\*

\* Based on unit holdings as at 31 May 2017  
\*\* Executives contribute approx. 10% of after tax salaries to the Fund on a monthly basis as at 31 May 2017

**RISK DISCLOSURE STATEMENT**

Elevation Capital Management Limited is a Registered Financial Service Provider in New Zealand in accordance with the Financial Service Providers (Registration and Disputes Resolution) Act 2008 -- FSP # 9601.

Elevation Capital Management Limited is licensed under the Financial Markets Conduct Act 2013 as a manager of registered schemes.

Elevation Capital Management Limited does not provide personalised investment advisory services to the public. Nothing herein should be construed as a general advertisement of investment advisory services or a solicitation of prospective clients for investment advisory services. The information herein is intended solely to provide certain background information about the Elevation Capital Value Fund.

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 Product Disclosure Statement 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 Product Disclosure Statement (available free of charge 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.

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 Product Disclosure Statement and Statement of Investment Policy. These documents are both available free of charge on request or can be accessed at [www.elevationcapital.co.nz](http://www.elevationcapital.co.nz).

All performance data, fee 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.

Past performance is not an indication of future results.