

Fund Update

Elevation Capital Managed Investment Schemes

Elevation Capital Value Fund

Elevation Capital Management Limited

Fund update for the quarter ended 30 June 2019

This is a replacement fund update, replacing the Elevation Capital Value Fund fund update first made publicly available on 15 July 2019. The following change has been made to this replacement fund update:

“Annual Return Graph” and “Holdings Report” have been updated for the Elevation Capital Value Fund.

1. What is the purpose of this update?

This document tells you how the Elevation Capital Value Fund ('Fund') has performed and what fees were charged. The document will help you to compare the Fund with other funds.

Elevation Capital Management Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

2. Description of this fund

The Fund mainly invests in the shares of listed companies, although it may invest in unlisted companies up to total limit of 10% of Net Asset Value of the Fund. The companies we invest in may be based and operate anywhere in the world.

The principal objective of the Fund is to achieve positive absolute returns after fees and expenses, but before tax over the long term (that is a period of at least five years). The investment objectives and policy for the Fund are broadly drafted so as to provide us with the mandate to seek on behalf of investors long-term income and capital growth by directly investing in equities on a global basis, while at the same time adhering to a “Margin of Safety” investment philosophy.

Total value of the fund	\$23,309,793
The date the fund started	9 December 2008

3. What are the risks of investing?

Risk indicator for the Elevation Capital Value Fund:



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund’s assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-kickstarter.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund’s future performance. The risk indicator is based on the returns data for the five years to 30 June 2019. While risk indicators are usually relatively stable, they do shift time to time. The risk indicator will continue to be updated in future fund updates.

See the Product Disclosure Statement (‘PDS’) for more information about the risks associated with investing in this fund.

4. How has the fund performed?

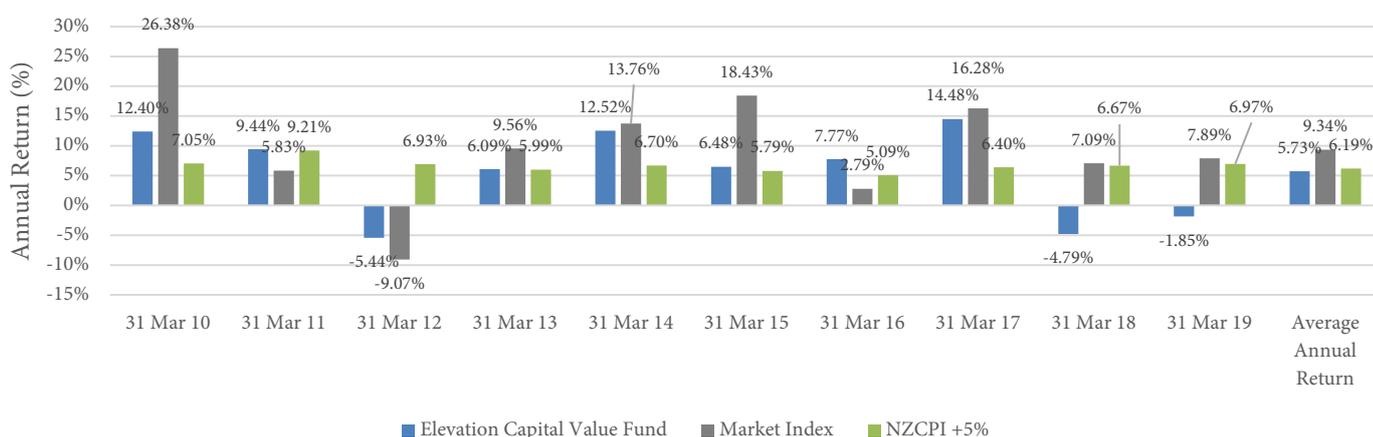
	Average over past 5 years	Past year
Annual return (after deductions for charges and tax)	+4.72%	-3.50%
Annual return (after deductions for charges but before tax)	+5.53%	-2.78%
Market index annual return (reflects no deduction for charges and tax)	+10.23%	+5.87%

We are required to disclose an appropriate market index as comparison. The Market Index is the MSCI ACWI Value Index (Gross Return) in NZD terms. This index became the Market Index for the Fund since 30 November 2017. The MSCI ACWI Value Index, is published by MSCI Inc. MSCI ACWI Value Index captures large and mid-capitalisation securities exhibiting overall value style characteristics across 23 developed and 24 emerging markets. You can find more information about the MSCI ACWI Value Index from: <https://www.msci.com/equity-fact-sheet-search>.

The Fund is also measured against New Zealand Consumers Price Index +5% per annum (NZCPI +5%) and this is also provided in the chart below.

For more information on the market index, please refer to the Statement of Investment Policy and Objectives for the Elevation Capital Value Fund, which can be found at www.elevationcapital.co.nz/ or on the offer register at www.disclose-register.companiesoffice.govt.nz.

Annual Return Graph



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 30 June 2019.

Important: This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

5. What fees are investors charged?

Investors in Elevation Capital Value Fund are charged fund charges. In the year to 31 March 2019 these were:

	% of net asset value
Total fund charges	1.79%
which are made up of:	
Total management and administration charges	1.79%
including:	
Manager's basic fee	1.24%
Other management and administration charges	0.55%
Total performance-based fees	0.00%
Other charges	0.00%

The fund charges are inclusive of GST. Investors are not currently charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for the Elevation Capital Value Fund on the offer register at www.business.govt.nz/disclose for more information about those fees.

Example of how this applies to an investor

Small differences in fees and charges can have a big impact on your investment over the long term.

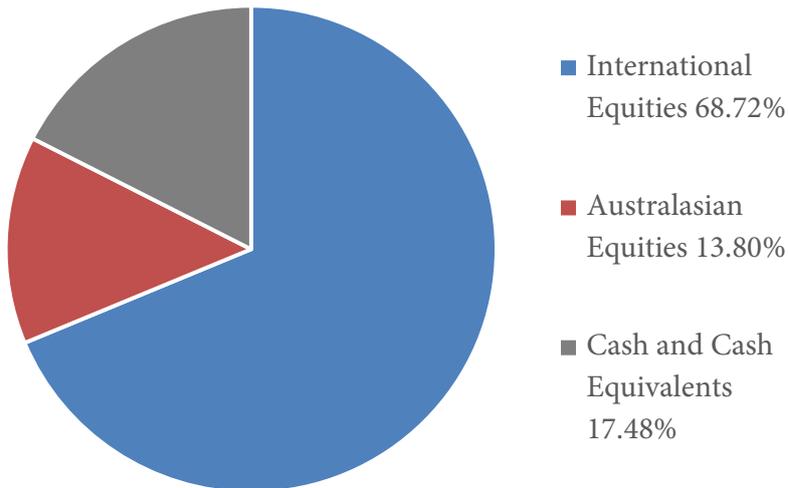
Sophia had \$10,000 in the fund at the start of the year and did not make any further contributions.

At the end of the year, Sophia incurred a loss after fund charges were deducted of -\$278 (that is -2.78% of the initial \$10,000). Sophia also paid \$0.00 in other charges. This gives Sophia a total loss after tax of -\$350 for the year.

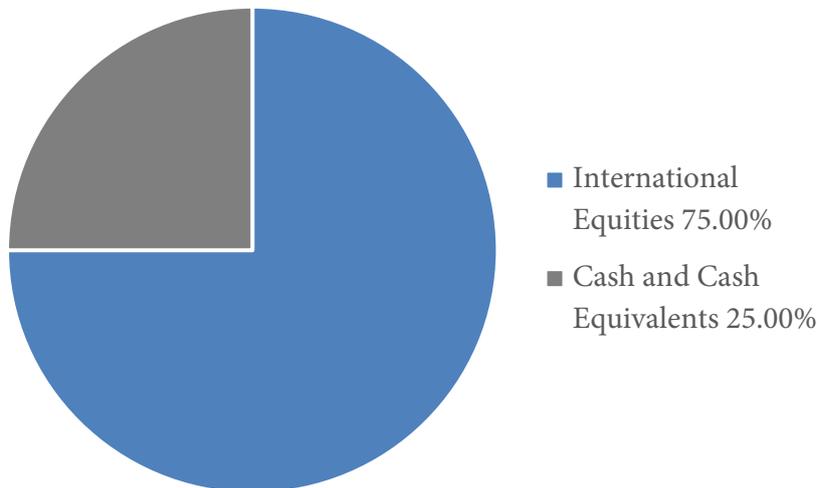
6. What does the Fund invest in?

This shows the types of assets that the Fund invests in.

Actual investment mix



Target investment mix²



The Fund has a mandate which means there is no target investment mix. However, in the chart above we have set out our expected investment mix for the quarter ending June 2019.

Top 10 Investments

	Name	% of fund net assets	Type	Country	Credit rating (if applicable)
1	Cash Deposits (ANZ)	16.51	Cash and cash equivalents	NZ	AA- (S&P)
2	Allergan	4.55	International equities	Ireland	
3	Richemont	3.66	International equities	Switzerland	
4	Molson Coors Brewing Co	3.57	International equities	United States	
5	Walt Disney	3.34	International equities	United States	
6	EssilorLuxottica	3.33	International equities	France	
7	Covetrus	3.12	International equities	United States	
8	Bayer AG	3.11	International equities	Germany	
9	General Mills	3.02	International equities	United States	
10	Nestle	2.97	International equities	Switzerland	

The top 10 investments make up 47.18% of the net asset value of the Fund.

Currency hedging³

The Fund's foreign currency exposure is not hedged (i.e. 0% of the Fund's net asset value is hedged) although the Fund has the ability to hedge.

7. Key personnel

Name	Current position	Time in current position	Previous or other position	Time in previous or other current position
Christopher Swasbrook	Portfolio Manager and Managing Director, Elevation Capital Management Limited	10 years 6 months	Co-Head Institutional Equities, Goldman Sachs JB Were (NZ) Limited Partner, Goldman Sachs (Pty) Limited	9 years and 3 months

Further information

You can also obtain this information, the PDS for the Elevation Capital Value Fund and some additional information from the offer register at www.business.govt.nz/disclose.

Have any questions? If so, please visit www.elevationcapital.co.nz or phone 09-379-6493.

8. Notes

1. There are no performance fees charged by the Fund.
2. The target investment mix indicates what are expected to apply over the course of an economic cycle and should be considered as a general indication only. Elevation Capital Management Limited is an active manager and may at times deploy investment strategies that differ materially from the targets.
3. The Manager has the ability to hedge foreign exchange exposures within the fund at its discretion. Since inception, the fund has never executed (or put in place) a foreign exchange contract for hedging purposes.