

Fund Update

Elevation Capital Managed Investment Schemes

Elevation Capital Value Fund

Elevation Capital Management Limited

Fund update for the quarter ended 31 December 2017

This fund update was first made publicly available on 12 February 2018

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	\$29,709,146
The date the fund started	9 December 2008

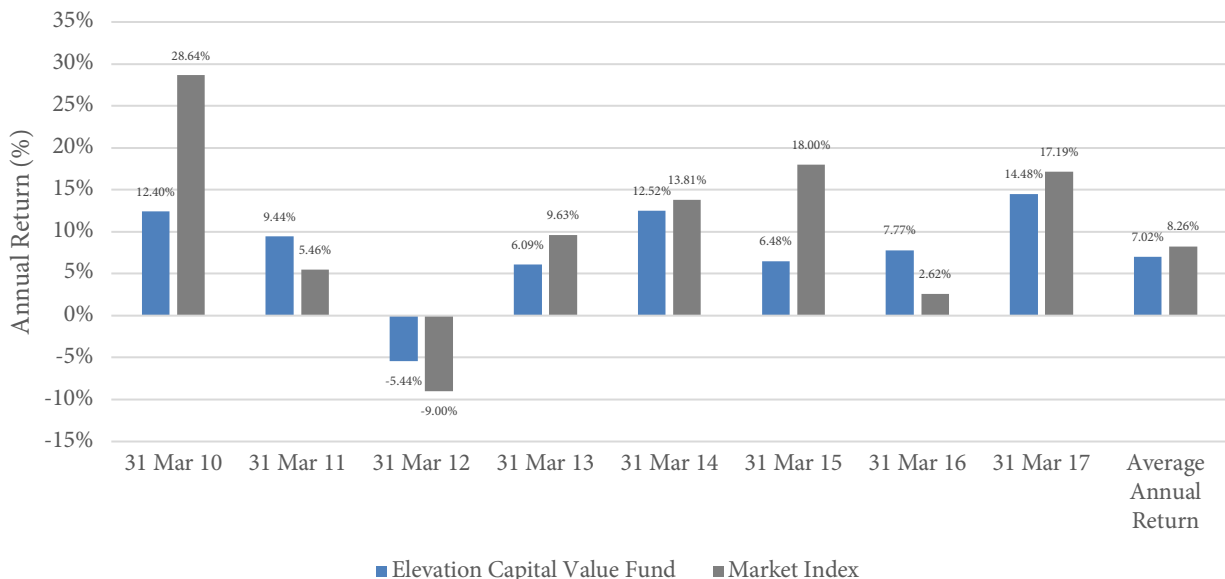
4. How has the fund performed?

	Average over past 5 years	Past year
Annual return (after deductions for charges and tax)	10.67%	11.93%
Annual return (after deductions for charges but before tax)	11.39%	12.40%
Market index annual return (reflects no deduction for charges and tax)	13.56%	16.76%

We are required to disclose an appropriate market index as comparison. During the period we changed the market index from MSCI ACWI Index (Gross Return) in NZD terms to MSCI ACWI Value Index (Gross Return) in NZD terms to better benchmark ourselves with an appropriate market index having regard to our investing discipline/s. 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>.

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.business.govt.nz/disclose.

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 31 December 2017.

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.

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

5. What fees are investors charged?

Investors in the Fund are charged fund charges. In the year to 31 March 2017 these were:

	% of net asset value
Total fund charges	2.20%

which are made up of:

Total management and administration charges	2.20%
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including:

Manager's basic fee	1.27%*
Other management and administration charges	0.93%

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.

* Manager's basic fee is higher than 1.25% because of fluctuations in underlying FUM (Funds Under Management) in the year to 31 March 2017.

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.

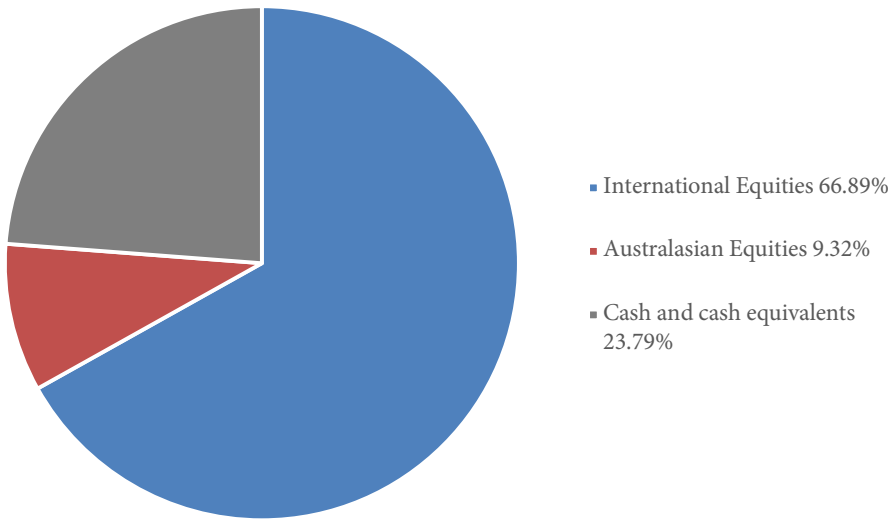
Sophia had \$10,000 in the fund at the start of the year and did not make any further contributions.

At the end of the year, Sophia received a return after fund charges were deducted of \$1,490 (that is 14.90% of the initial \$10,000). Sophia also paid \$0 in other charges. This gives Sophia a total return after tax of \$1,448 for the year.

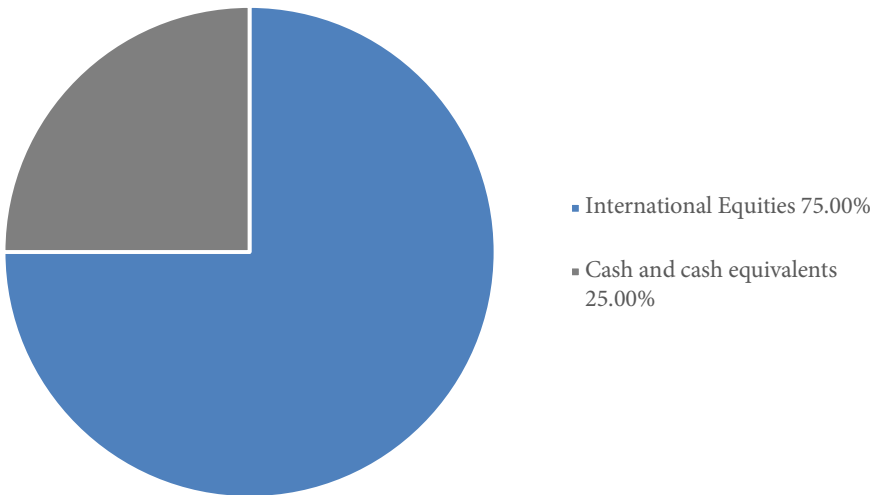
6. What does the Fund invest in?

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

Actual investment mix



Target investment mix¹



Top 10 Investments

	Name	% of fund net assets	Type	Country
1	Cash Deposit (ANZ, BNP)	23.79	Cash and cash equivalents	NZ
2	L Brands Inc	4.27	International equities	United States
3	Coty Inc	4.23	International equities	United States
4	General Mills Inc	3.93	International equities	United States
5	Molson Coors Brewing Co	3.88	International equities	United States
6	Scholastic Corp	3.79	International equities	United States
7	Tod's SpA	3.78	International equities	Italy
8	JCDecaux SA	3.72	International equities	France
9	Tiffany & Co	3.69	International equities	United States
10	APN Outdoor Group Ltd	3.65	Australasian equities	Australia

The top 10 investments make up 58.75% of the net asset value of the Fund.

Currency hedging²

The Fund's foreign currency exposure is not 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	9 years and 0 months	Co-Head Institutional at Goldman Sachs JB Were	9 years and 3 months
John Tsai	Analyst – Elevation Capital Management Limited	7 years and 0 months	-	-
Richard Milsom	Analyst – Elevation Capital Management Limited	5 years and 0 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. 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.
2. 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.