

**To: Investor Partners of Castlereagh Equity Pty Ltd**

**From: Peter Phan**

**Date: 31 July 2015**

**Re: Monthly Update**

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	Castlereagh Equity	ASX All Ordinaries	Relative Performance	CE Net Asset Value
1 November 2013 to 30 June 2015	12.5%	4.7%	7.8%	112.5 cents
1 February 2015 to 30 June 2015	6.3%	2.2%	4.1%	112.5 cents

The XAO started at 5420 on 1 November 2013 and ended at 5673 on 31 July 2015. In percentage terms, this was a rise of 4.7% for the period. CE's performance over the same period is 12.5%.

Taking things from the commencement of 1 February 2015, the XAO started at 5552 on 1 February 2015 and ended at 5673 on 31 July 2015. In percentage terms, the XAO increased by 2.2% for this seven months period. CE started at 106.2 on 1 February 2015, and ended at 112.5 on 31 July 2015, such being with an increase of 6.3% for the same period.

For the month of July 2015, the XAO staged a remarkable 7% turnaround despite the turbulence of events in Greece and China. The CE portfolio more than held its own with 7.7%.

We are headed into full year reporting season in the month of August. I have done as much preparations and reviews as possible. We expect to see some significant improvements in the intrinsic value of the majority of our holdings, largely due to infusion of cashflows into the businesses from its normal operations. There are several holdings that are not performing as expected, and our focus will be on our next course of action, and a further detailed post-mortem as to whether these setbacks were due to lack of luck or lack of skill.

If any investor partner wishes to contact me to discuss this memorandum or any other matters related to CE, please do not hesitate to do so. Investor partners will also note that the front page of the CE website has been continually hacked over the last few months. We advise that after repeated attempts to resolve this issue with the domain hosting service, we are now in the process of moving the website to another hosting provider. We will also take the opportunity to update the website.

Thank you for your trust and confidence in us.

Regards

Peter Phan

Director, Castlereagh Equity Pty Ltd