

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

**From: Peter Phan**

**Date: 30 October 2015**

**Re: Monthly Update**

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	Castlereagh Equity	ASX All Ordinaries	Relative Performance	CE Net Asset Value
1 November 2013 to 30 October 2015	26.3%	-2.4%	28.7%	126.3 cents
1 February 2015 to 30 October 2015	18.9%	-4.7%	23.6%	126.3 cents

The XAO started at 5420 on 1 November 2013 and ended at 5290 on 30 October 2015. In percentage terms, the XAO dropped 2.4% for the 2 year period since the start of the CE fund. CE's performance over the same 2 year period is 26.3%.

Taking things from the commencement of 1 February 2015, the XAO started at 5552 on 1 February 2015 and ended at 5290 on 30 October 2015. In percentage terms, the XAO decreased by 4.7% for this nine-month period. CE started at 106.2 on 1 February 2015, and ended at 126.3 on 30 October 2015. This is an increase of 18.9% for the same period.

For the month of October 2015, the XAO added 4.2%. The CE portfolio added 15.3%.

During the month of October, we liquidated several positions. Together with some new funds intake and dividends received, the CE portfolio is back to roughly 15% cash. We continue in our search for investments with attractive risk adjusted returns. As stated in our previous memorandum, positions within the CE portfolio take time to play themselves out. We are pleased to report that some of our positions are turning out much better than expected, although there is certainly an element of luck involved. Across the portfolio, the gains from our good ideas are outpacing the losses from our lousy ideas. Over time, we will continue to refine the portfolio, with the immutable objective of reducing risks to an absolute minimum in return for reasonably (and hopefully, unreasonably) satisfactory returns.

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