

To: Investor Partners of Castlereagh Equity Pty Ltd

From: Peter Phan

Date: 29 January 2016

Re: Monthly Update

	Castlereagh Equity	ASX All Ordinaries	Relative Performance	CE Net Asset Value
1 November 2013 to 29 January 2016	26.8%	-7%	33.5%	126.8 cents
1 February 2015 to 29 January 2016	19.4%	-9.2%	28.6%	126.8 cents

The XAO started at 5420 on 1 November 2013 and ended at 5042 on 29 January 2016. In percentage terms, the XAO dropped 7% for the 27 months period since the start of the CE fund. CE's performance over the same 27 month period is 26.8%.

Taking things from the commencement of 1 February 2015, the XAO started at 5552 on 1 February 2015 and ended at 5042 on 29 January 2016. In percentage terms, the XAO decreased by 9.2%. CE started at 106.2 on 1 February 2015, and ended at 126.8 on 29 January 2016. This is an increase of 19.4% for the same period.

For the month of January 2016, the XAO lost 5.7%. The CE portfolio dropped 3.9%.

Calendar year 2016 has started with lots of price movements, as market participants exhibit signs of schizophrenia as they zig and zag on short term macro news. As far as we are concerned, in terms of performance of our shareholdings, it is business as usual. In actual fact, it is a quiet period for business activities due to the Christmas and New Year's break.

We are now in preparation for the half yearly reporting season starting in February. We do not expect many surprises in business performance of our shareholdings, and we fully expect that most of our holdings will report figures showing an increase in their intrinsic values. With expected cash proceeds from a takeover of one of our shareholdings due in February, plus a modest intake of funds from members, the cash position of CE portfolio will exceed 20%.

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.

Thank you for your trust and confidence in us.

Regards

Peter Phan

Director, Castlereagh Equity Pty Ltd