

To: Investor Partners of Castlereagh Equity Pty Ltd

From: Peter Phan

Date: 31 December 2017

Re: Monthly Update

	Castlereagh Equity	ASX All Ordinaries	Relative Performance	CE Net Asset Value
1 November 2013 to 29 Dec 2017	67%	13.8%	53.2%	149 cents*
1 November 2013 to 31 January 2015	6.2%	2.4%	3.8%	106.2 cents
1 February 2015 to 29 January 2016	19.4%	-9.2%	28.6%	126.8 cents
1 February 2016 to 31 January 2017	19.7%	12.5%	7.2%	151.8 cents
1 February 2017 to 29 Dec 2017	11.2%	8.7%	2.5%	149 cents

To aid in understanding the tables above:

1. CE commenced on 1 November 2013 with shares issued at \$1 per share, backed by \$1 of cash per share.
2. The first row of the table above provides a summary of CE's performance since its commencement on 1 November 2013 until the date of this memorandum. It also compares CE's performance with the benchmark All Ordinaries index over the same period.
3. The second row of the table provides a summary of CE's performance for its first reporting period (15 months period from 1 November 2013 to 31 January 2015).
4. The third row of the table provides a summary of CE's performance for its second reporting period (12 months period from 1 February 2015 to 29 January 2016).
5. The fourth row of the table provides a summary of CE's performance for its third reporting period (12 months period from 1 February 2016 to 31 January 2017).
6. The fifth row of the table provides a summary of CE's performance for its fourth and current reporting period (period commencing 1 February 2017 to the date of this memorandum).
7. *CE NAV is after payment of dividend and director fees in Feb 2017. These payments "reset" the NAV from 1.52 to 1.34.

The XAO started at 5420 on 1 November 2013 and ended at 6167 on 29 December 2017. In percentage terms, the XAO gained 13.8% for the 50 months period since the start of the CE fund. CE's performance over the same 50 months period is 67%.

For the month of December 2017, the XAO was up 1.8%. The CE portfolio was up 1% for the month.

The cash component of the CE fund is just above 11%.

Merry belated Xmas and a Happy New Year to all!

Thank you for your trust and confidence in us.

Regards

Peter Phan

Director, Castlereagh Equity Pty Ltd