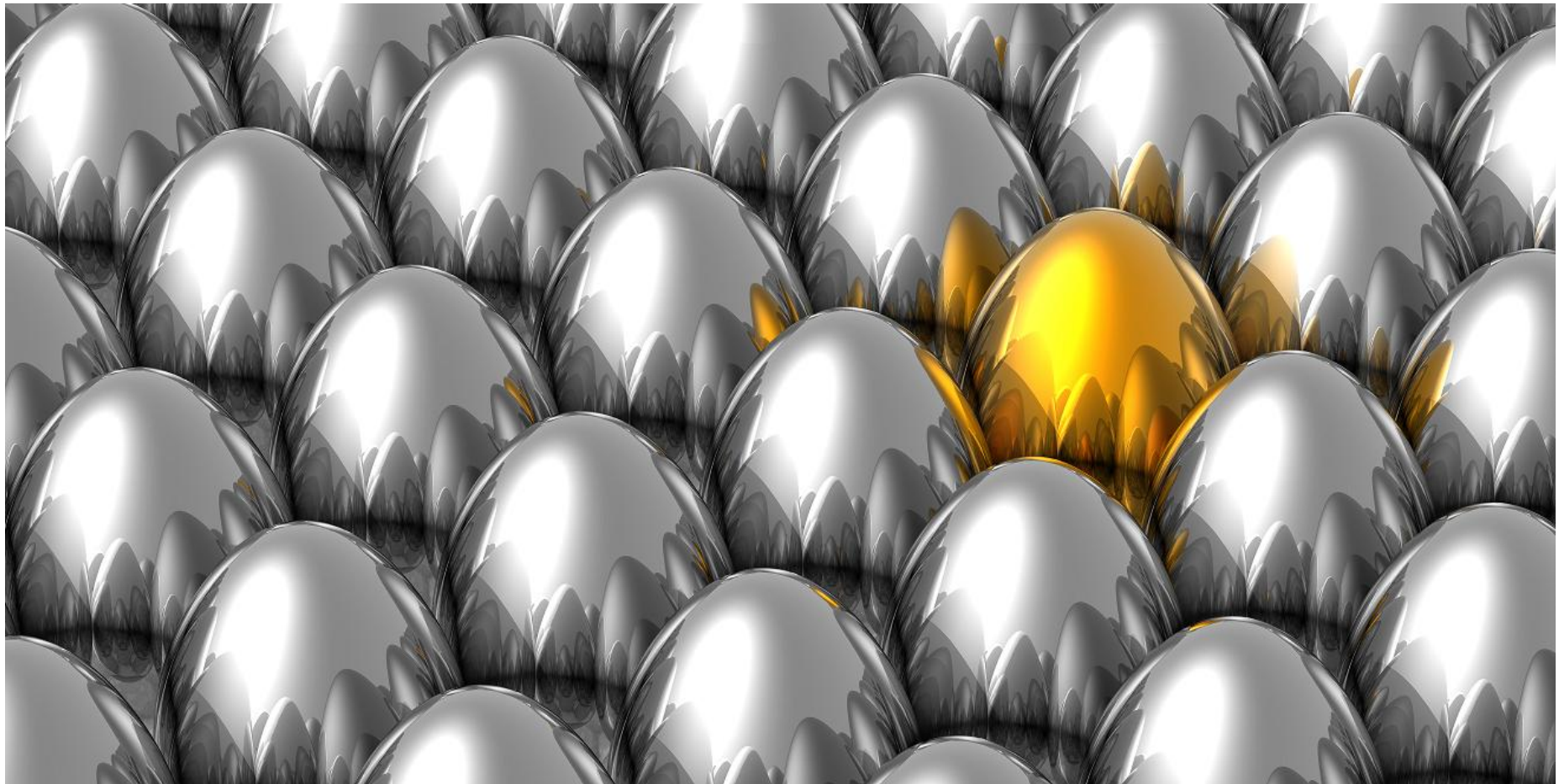


Equity High Yield & Premium Income

June 2014



- Long only, daily traded, liquid, completely transparent fund that does not use leverage.
- Equity fund focusing on semi-monopolistic, price inelastic, high yield dividend stocks that have large capitalizations, quality balance sheets, stated dividend policies and are therefore naturally defensive type stocks.
 - Expected **dividend yield 4% to 6%**
 - The Fund aims to enhance the return to investors by **writing covered calls against the underlying securities**. The Fund collects a premium by writing covered calls and retains all the benefits of owning the underlying stock, such as dividends and voting rights
 - Expected **premium income 8% to 12%**
 - Targeted weightings of 2% to 6% and the currency is hedged, reducing FX risk

Equity High Yield & Premium Income Fund

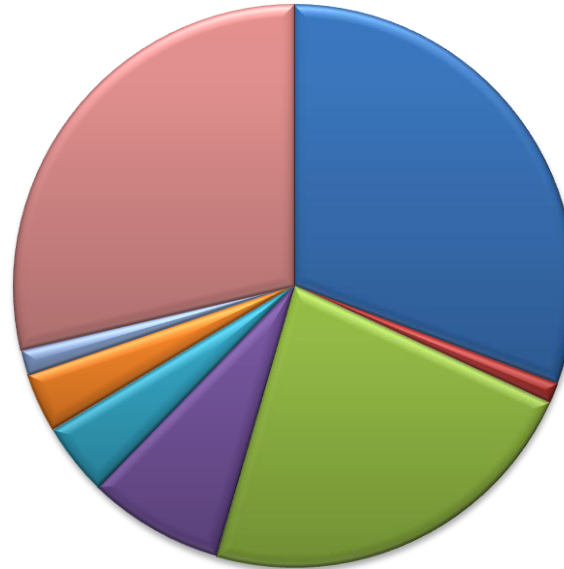
The Fund

Description		Portfolio %	Dividend Net Yield	Option Yield Income - 30 Day	Option Yield Income -Annual	Mkt Cap Billions \$	Industry Sector	Country	Subgroup Sector	Return
<i>Communications</i>										
TLS AU	TELSTRA CORP	4.11%	5.36%	1.02%	12.24%	\$60.73	Communications	AU	Telephone-Integrated	17.60%
DTE GY	DEUTSCHE TELEKOM	3.29%	3.88%	1.01%	12.12%	\$75.95	Communications	DE	Telephone-Integrated	16.00%
T US	AT&T INC	3.82%	5.15%	1.16%	13.88%	\$178.59	Communications	US	Telephone-Integrated	19.04%
PSON LN	PEARSON PLC	3.37%	4.15%	1.04%	14.66%	\$15.83	Communications	GB	Multimedia	18.81%
VOD	VODAFONE	2.27%	5.29%	1.62%	19.49%	\$91.87	Communications	GB	Cellular Telecom	24.78%
CHA US	CHINA MOBILE	3.25%	2.00%	0.86%	10.31%	\$50.16	Communications	CN	Telecom Services	12.31%
TOTAL TELCOM		20.12%								
<i>Consumer, Non-Cyclical</i>										
PM US	PHILIP MORRIS	3.75%	4.24%	1.02%	12.21%	\$128.40	Consumer, Non-cyc	US	Tobacco	16.45%
GSK LN	GLAXOSMITHKLINE	3.19%	4.83%	0.50%	6.02%	\$133.16	Consumer, Non-cyc	GB	Medical-Drugs	10.85%
NOVN VX	NOVARTIS	3.13%	3.10%	0.55%	6.55%	\$173.62	Consumer, Non-cyc	CH	Medical-Drugs	9.65%
TOTAL CONSUMER NON-CYCLICAL		10.07%								
<i>Financials</i>										
CBA AU	C ¹ BANK AUSTRALIA	3.82%	4.69%	0.33%	3.93%	\$121.49	Financial	AU	Commer Banks Non-US	8.62%
ANZ AU	AUST AND NZ BANK	4.32%	5.19%	1.10%	13.21%	\$84.46	Financial	AU	Commer Banks Non-US	18.40%
WBC AU	WESTPAC BANKING	4.42%	5.19%	0.67%	8.04%	\$97.89	Financial	AU	Commer Banks Non-US	13.23%
BEN AU	BENDIGO AND ADELAIDE	3.29%	5.30%	0.48%	5.73%	\$4.70	Financial	AU	Commer Banks Non-US	11.03%
ASX AU	ASX LTD	3.21%	4.69%	0.56%	6.67%	\$6.46	Financial	AU	Finance-Other Services	11.36%
CME US	CME GROUP INC	4.20%	6.23%	0.94%	11.30%	\$26.00	Financial	US	Finance-Other Services	17.52%
HSBA LN	HSBC HLDGS PLC	4.07%	4.70%	0.90%	10.82%	\$197.83	Financial	GB	Diversified Banking Inst	15.51%
RY CN	ROYAL BANK CANADA	3.54%	3.56%	1.29%	15.45%	\$96.91	Financial	CA	Commer Banks Non-US	19.02%
TOTAL FINANCIAL		30.86%								
<i>Industrial</i>										
SYD AU	SYDNEY AIRPORT	5.08%	5.08%	1.28%	15.35%	\$9.01	Industrial	AU	Airport Develop/Maint	20.43%
BA/ LN	BAE SYSTEMS PLC	3.82%	4.80%	1.59%	19.11%	\$22.13	Industrial	GB	Aerospace/Defense	23.90%
TCL AU	TRANSURBAN GROUP	4.13%	4.36%	1.41%	16.92%	\$12.79	Industrial	AU	Public Thoroughfares	21.29%
TOTAL INDUSTRIAL		13.03%								
<i>Utilities</i>										
EOAN Gy	E.ON SE	3.90%	4.01%	1.02%	12.18%	\$38.81	Utilities	DE	Electric-Integrated	16.19%
EDF FP	EDF	3.00%	4.55%	1.43%	17.11%	\$70.59	Utilities	FR	Electric-Integrated	21.66%
GSZ FP	GDF SUEZ	3.00%	7.38%	0.12%	1.44%	\$67.64	Utilities	FR	Electric-Integrated	8.83%
AEP US	AMERICAN ELECTRI	3.90%	3.85%	0.71%	8.53%	\$23.85	Utilities	US	Electric-Integrated	12.38%
DUK UN	DUKE ENERGY CORP	3.20%	4.42%	1.00%	11.99%	\$48.84	Utilities	US	Electric-Integrated	16.41%
CNA LN	CENTRICA PLC	3.36%	5.17%	0.90%	10.86%	\$27.77	Utilities	GB	Gas-Distribution	16.03%
NG/ LN	NATIONAL GRID PL	3.23%	4.73%	1.15%	13.83%	\$55.29	Utilities	GB	Gas-Distribution	18.57%
FE UN Equity	FIRSTENERGY CORP	2.33%	4.57%	0.98%	11.76%	\$13.22	Utilities	US	Electric-Integrated	16.33%
TOTAL UTILITY		25.92%								
TOTAL		100.00%	4.66%		11.49%					16.15%

Source: Castlestone Management.



- Communications 25.16%
- Consumer, Non-cyclical 11.20%
- Utilities 28.24%
- Industrial 8.00%
- Financial 29.09%

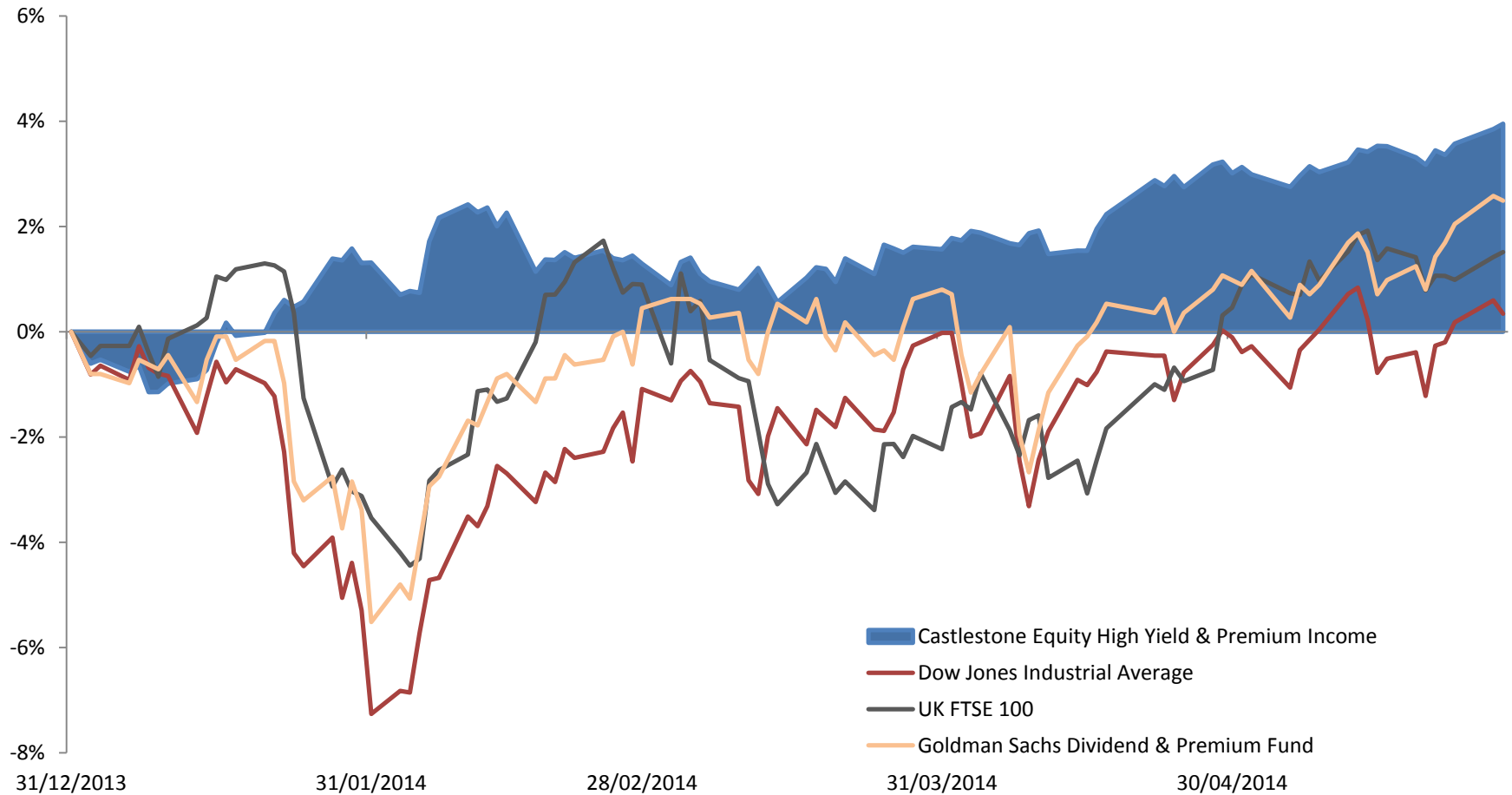


- Australia 31.27%
- Canada 1.20%
- Great Britain 23.02%
- Germany 7.9%
- France 4.21%
- China 3.50%
- Singapore 1.50%
- United States 29.13%

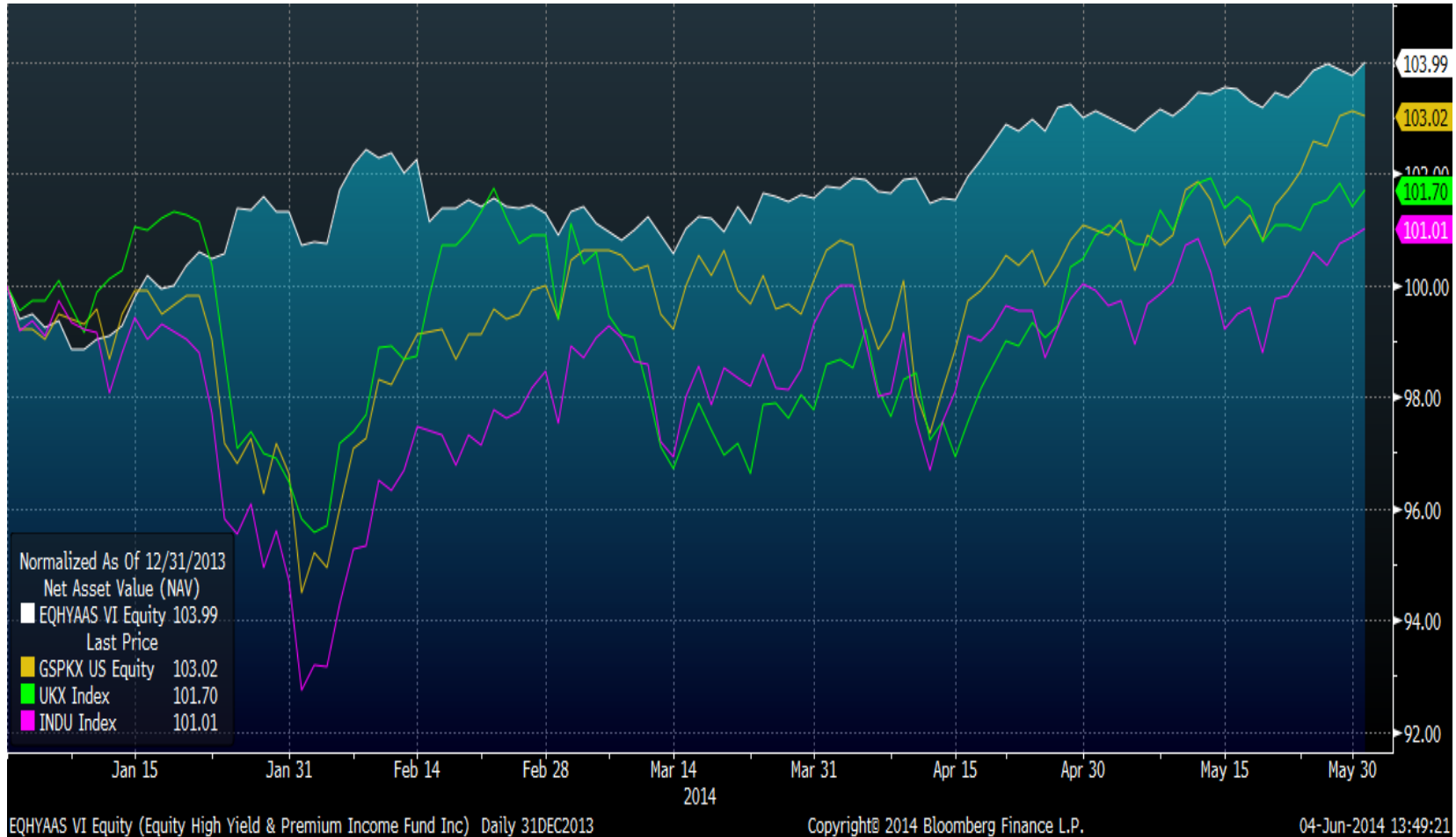


- Electric-Integrated 20.89%
- Aerospace/Defense 3.90%
- Cellular Telecom 9.01%
- Commer Banks Non-US 15.10%
- Diversified Banking Inst 5.75%
- Finance-Other Services 8.24%
- Gas-Distribution 7.36%
- Telephone-Integrated 16.15%
- Tobacco 4.01%
- Public Thoroughfares 3.99%
- Medical-Drugs 3.20%
- Airport Develop/Maint 4.10%

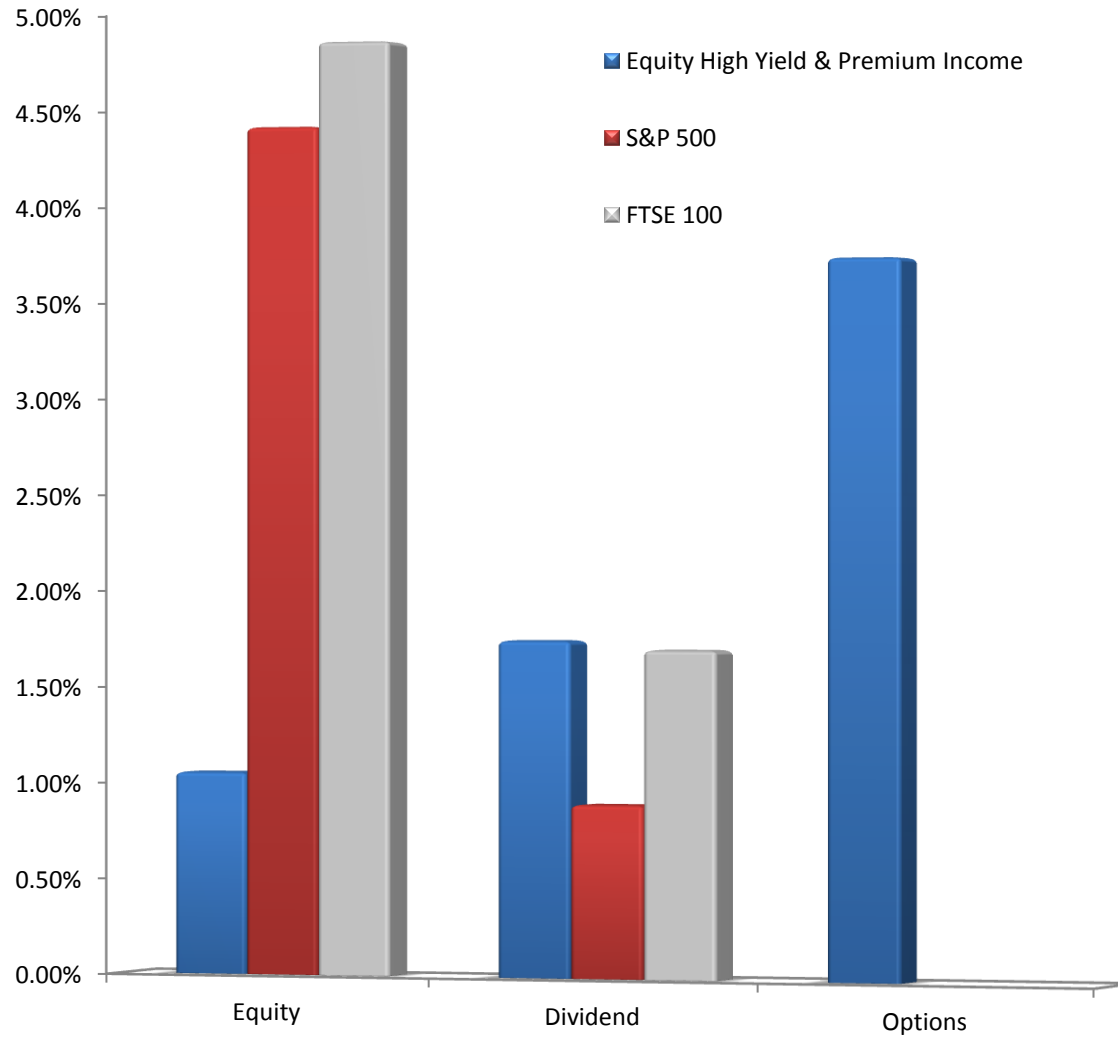
Source: Castlestone Management.



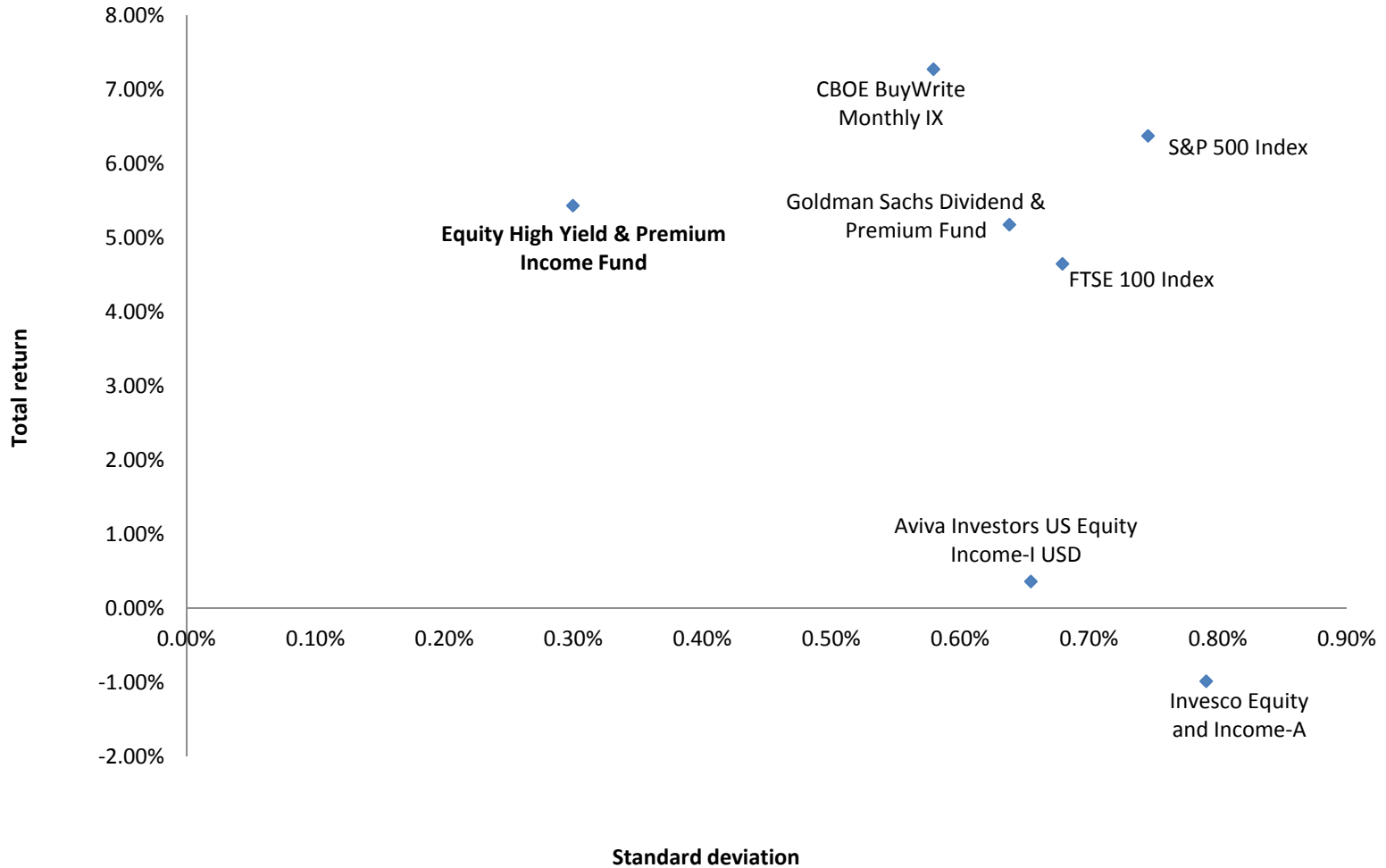
Source: Castlestone Management.



Source: Castlestone Management.



Source: Castlestone Management.



Source: Castlestone Management.

Stock Selection

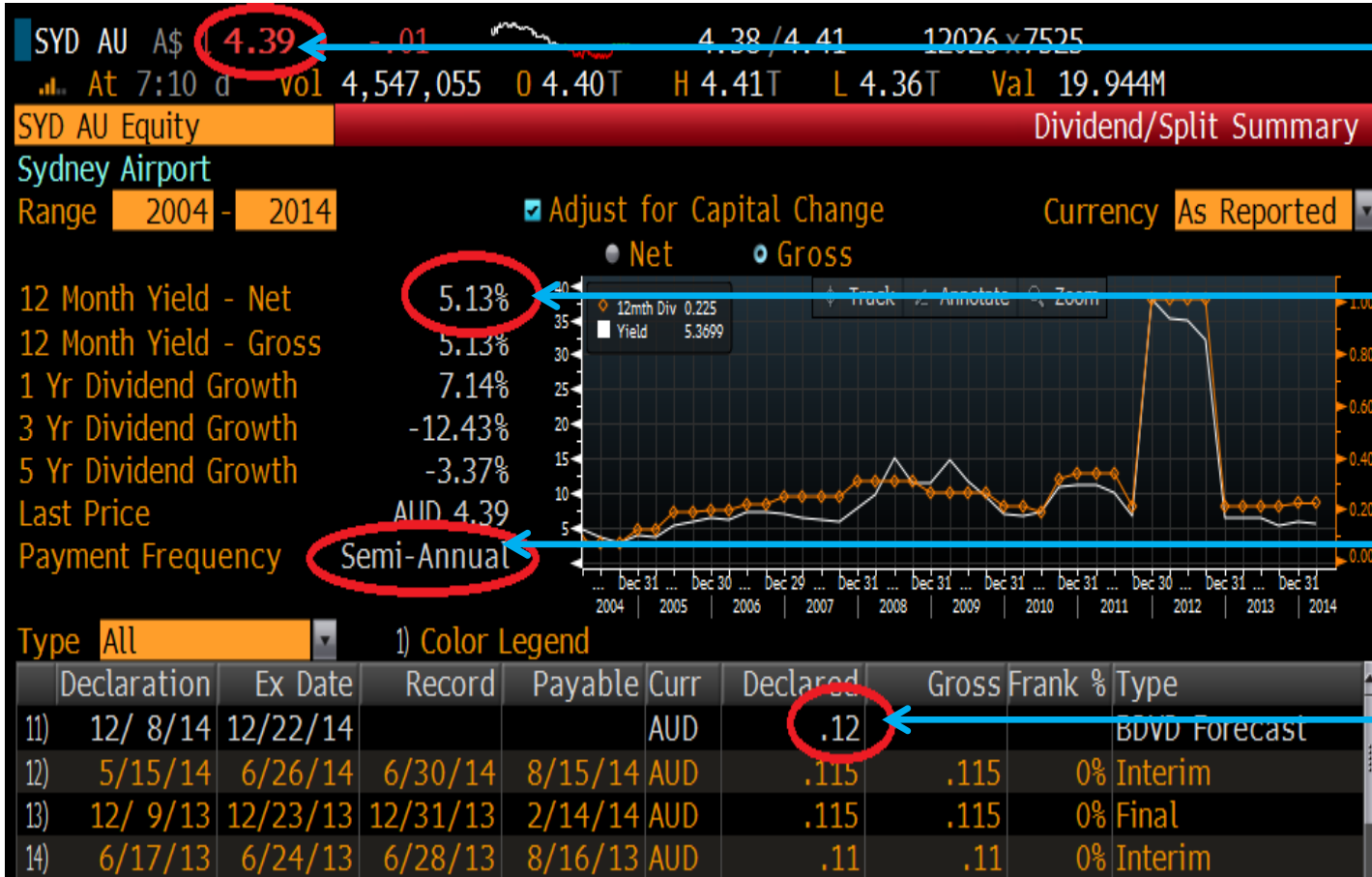
- Semi-Monopolistic
- Price Inelastic
- Dividend Yield 4%-6%
- Strong Balance Sheets

Option Writing

- Management of Option Writing
- Aiming to write .50%-1.5% per month
- Ex Dividend Date

Implement & Execution

- Execution of Portfolio
- American or European Options
- Liquidity



Share Price as of 4th June 2014 = \$4.39

Dividend Yield =
 (\$0.12*2) / \$4.39 = 5.13 %

Payment = Semi Annual

Dividend = \$0.12*2 =
 \$0.24 cents

Source: Castlestone Management.



Share Price as of 04 June 2014 = \$4.39 Premium Income = \$0.07

Strike	Ticker	Bid	Ask	Last	IVM	DM	Volm	OInt	XTyp
24 Jul 14 (50d); CSize 100; R 2.66									
4.20	11) SYD 7 C4.2	.18	.24	.21s	16.55	.86		730	Amer
4.30	12) SYD 7 C4.3	.10	.16	.13s	13.54	.75		585	Amer
4.40	13) SYD 7 C4.4	.05	.09	.07s	13.68	.52	137	600	Amer
4.50	14) SYD 7 C4.5	.02	.045	.035s	13.94	.28		400	Amer
4.60	15) SYD 7 C4.6	.006	.035	.015s	15.02	.15			Amer
28 Aug 14 (85d); CSize 100; R 2.67									
4.20	16) SYD 8 C4.2	.185	.245	.215s	14.27	.85			Amer
4.30	17) SYD 8 C4.3	.115	.17	.14s	14.32	.66		100	Amer
4.40	18) SYD 8 C4.4	.07	.11	.09s	14.12	.47		87	Amer
4.50	19) SYD 8 C4.5	.035	.075	.055s	14.56	.31			Amer
4.60	20) SYD 8 C4.6	.02	.045	.035s	14.54	.19			Amer

Call option expires 24 July 2014 (50 days)

Option Strike = \$4.40

Volume = 137 contracts

Open Interest = 600 contracts

Premium Income Over 50 Days $\$0.07/\$4.39 = 1.59\%$ (Annualised 11.6%)



Current share price
\$4.39 AUD on June
4th 2014

Write a 24th July **\$4.40**
AUD Call Option
Expiring in 50 days
and receive **\$.07** cents
for Writing the call



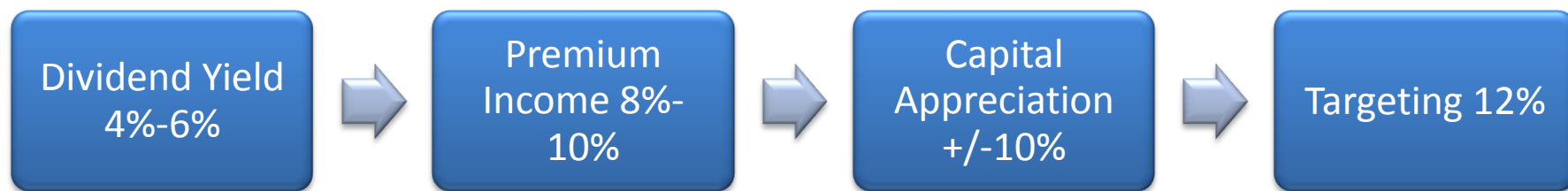
\$4.50 = Profit of \$.08cents or 1.82%
over 50 days (annualised 13.12%)
but under perform by .68%



\$4.40 = Profit of \$.08cents or 1.82%
over 50 days (annualised 13.12%)
and outperform by 1.59%



\$4.35 = Profit of \$.03cents or .68%
over 50 days (annualised 4.89%)
and outperform by .68%



- Long-only, liquid, completely transparent, simple to understand, daily traded, unleveraged and currency hedged portfolio
- The Fund will invest in stocks that are semi-monopolistic, have inelastic demand, strong balance sheets, quality fundamentals and a high dividend yield (expected yield 4% to 6%)
- Outperformance with premium income strategy: enhancing the return to investors by writing covered call options (expected premium income 8% to 12%)
- Since it is unleveraged and long-only, the Fund may/likely will decline when equity markets decline
- Alternative to developed market stocks in a portfolio

Source: Castlestone Management.

Incorporated:
September 2007

Opened to Investors as a Public Fund:
December 2013

Minimum Investment:
\$/€/£10,000

Fees:
Tiered Fee Structure

Dealing Frequency:
Daily*

Broker dealers:
Macquarie Equities Limited,
Interactive Brokers LLC, Morgan
Stanley Smith Barney LLC

Custodian:
Macquarie Equities Limited,
Interactive Brokers LLC

Administrator:
Circle Investment Support Services
B.V.

Domicile:
British Virgin Islands

Auditor:
Deloitte Accountants B.V.

Regulator:
British Virgin Islands Financial
Services Commission

