As you are aware, the objective of the Wentworth Williamson Fund (the Fund) is to generate superior returns to our competitors over the long term by acquiring a select portfolio of value-driven investments. We aim to protect our clients' principal while growing capital well above the prevailing cash rate over the medium to long term.

A REMINDER - INVESTMENT APPROACH

The prices of shares tend to vary far more than the value of the underlying businesses. Some of the factors that contribute to this are:

- Economic sentiment
- General market sentiment towards equity investments as a category
- Management changes
- Country-specific issues
- Market's view that the business model is broken (at least in the short term) or conversely over optimistic expectations; and
- Lack of sell-side research due to size or free float in the shares of the company or conversely the 'follow the pack' mentality often driven by mainstream, widely read analysis and research

We aim to invest in companies that in our view fall below their underlying value (often as we have a contrary view to the market for the reasons mentioned) and sell when the price rises above our assessment of fair value.

The key aspect of our investment process is determining the underlying or intrinsic value of the businesses. We therefore spend a great deal of time developing differentiated information that helps us determine the intrinsic value of a target company. This involves rigorous research and analysis of the industry and competitors, in order to construct a detailed picture of the dynamics of the market and investment being reviewed.

By not limiting ourselves to any market capitalisation size or sector and by allocating more time to research and investing (rather than trading) we believe this strategy gives us a structural competitive advantage to generate returns in excess of our benchmark.

The current composition of the portfolio is set out in the Appendix on page 6.

March 2016 Quarterly Report

Wentworth Williamson Fund Performance			
	12 Months to 31 March	Average Annual Return Over 2 Years	Cumulative Return Since Inception
Wentworth Williamson Fund	18.4%	15.8%	35.4%
S&P/ASX 300 Accumulation Index	-9.3%	1.7%	7.2%
Relative Performance (to ASX 300 AI)	27.7%	14.2%	28.2%
Cash + 2.5% (Hurdle)	4.6%	4.9%	12.7%

Returns are net of all fees, include income, assume reinvestment of distributions and exclude any spreads that might be payable on some transactions. Inception date is 30 September 2013.

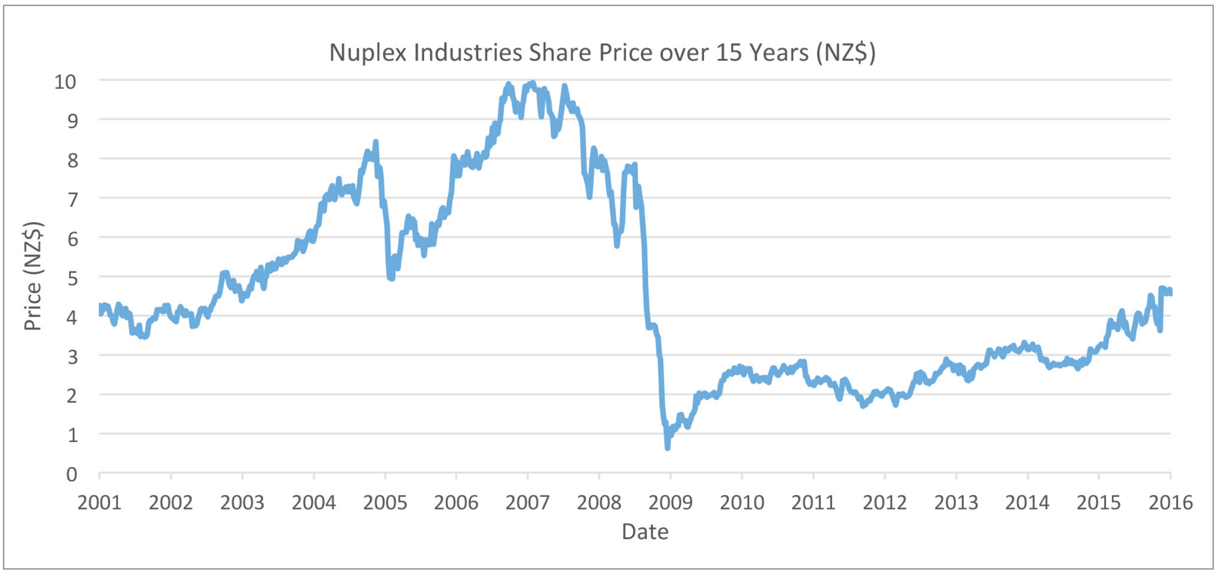
In the 12 months to March 2016, the Fund increased by 18.4% compared to a -9.3% return for the S&P/ASX 300 Accumulation Index.

We have been pleased with the progress of our companies in recent months, particularly the turnaround stories. UGL is continuing to progress well, with the Ichthys CCPP project blowout now appearing to be well contained and cash outflows relating to the project tracking much lower than market consensus. Although the share price has posted meaningful gains this quarter, the company is still in the early stages of its turnaround. We believe UGL is still significantly undervalued.

A couple of our holdings have also been the subject of corporate activity. As alluded to in previous reports, Spanish infrastructure giant Ferrovial S.A. made a bid for Broadspectrum in December for $1.35, and this has subsequently been raised to $1.50. Another of our holdings, Nuplex Industries Limited (NPX), received an approach to acquire all of its shares from Allnex Belgium SA/NV (Allnex), a leading global coating resins producer backed by global private equity firm Advent International Corporation.

For this quarter's stock specific commentary, the spotlight is on Nuplex.

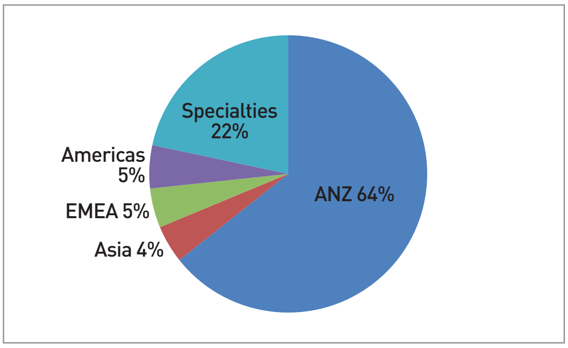
NUPLEX INDUSTRIES LIMITED (NPX)



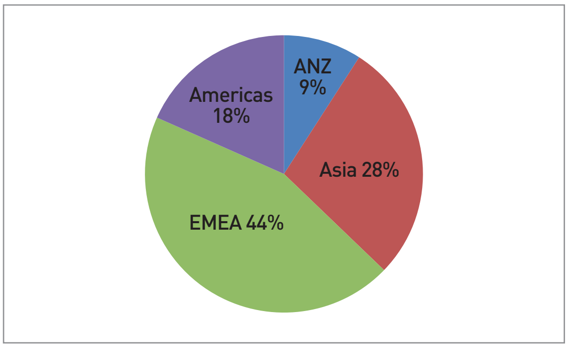
Source: FactSet

At the inception of this Fund in late 2013, NPX was exactly the type of company we were looking for. Although management had already made significant progress transforming the business from a structurally challenged local manufacturer and distributor (that struggled during the Global Financial Crisis), to a global chemicals company, the entity still travelled under the radar of the investment community. We just loved seeing blank faces when we mentioned NPX as one of our key investments, as it reaffirmed our view that the business was simply forgotten about, unknown or misunderstood by potential investors. The primary listing on the NZ exchange and the fact that the company had no direct listed peer to benchmark against added to the confusion. We acquired our NPX shares in late 2013 on a 7% dividend yield and 10x price to free cash flow multiple, with good prospects for growth and improved margins.

EBITDA 2005



EBITDA 2015



The transformation of NPX over ten years has been significant; the Australia & New Zealand and Specialties business contribution to EBITDA decreased from 86% in 2005 to only 9% in 2015. The Specialties business was sold in late 2014. Under the capable leadership of Group Chief Executive Officer Emery Severin, the company cut costs and re-deployed capital from the declining Australia & New Zealand manufacturing sector into key manufacturing hubs in Europe, Asia and the US.

Unlike many businesses which we believe are at risk of major technology disruption from new entrants, in the specialised and relatively small resin sector innovative technologies and products based on new chemistry are being developed by research and development programs of existing incumbents. This is probably because the sector is considered unexciting by many and the profit pool is too small to attract significant outside interest. Furthermore, an outsider is likely to incur considerable losses building a meaningful research and development program from a standing start. The recent NPX Acure launch is one such example of a new chemistry product development which can take years from initial idea to market launch. Acure's competitive advantages include faster and controllable dry time, longer pot-life and the ability to cure at lower temperatures. The growth prospects of Acure could be material to NPX over the next few years. Overall, although we will see technology improvements from existing participants over the years, the resins sector itself will remain centred around the binding, enhancing and protecting of houses, cars, boats, swimming pools, furniture and fabrics for the foreseeable future.

Another important feature of NPX and the resin industry is that it is one of the few industries where it is not economically viable to move production to China to service the World resin demand (although it is important to note that NPX has existing operations in China to service the manufacturing industry domestically). The industry requires relatively small scale localised manufacturing operations given the reliability and timing of supply to global supply chains and only comparatively small quantities are needed for the finished product (such as a car).

On the 15th of February 2016, NPX announced that the Board had received an indicative, non-binding, conditional proposal from Allnex to acquire all its shares for NZ$ 5.55 per share (including the recently announced dividend, which therefore equates to a price of NZ$5.43 per share after the dividend payment). Private equity backed Allnex is a very similar business to NPX but is approximately 50% bigger. We always felt it would make strategic sense to bring Allnex and NPX together to form a leading, global, independent coating resins producer. We will have an opportunity to vote on the merits of the proposal later this year. At the offer price, our return on our initial investment including dividends would be a very satisfactory return over 80%.

LOOKING FORWARD

During periods of uncertainty, investors often refer to economic forecaster's attention seeking headlines. While some of these articles may be interesting reads from time to time, they add little value to our process. As the famous economist and author John Kenneth Galbraith said, "the function of economic forecasting is to make astrology look respectable".

We will continue to focus our energy on variables we can control, researching one company after another until we have uncovered an investment opportunity that excites us. We are not in the business of buying fair value, but rather deep value.

Thank you for investing and joining us on this journey.

Yours faithfully,

James Williamson

Fund Manager

APPENDIX

The Fund's Portfolio (unaudited)

As at 31 March 2016

Company Name	% of Fund
Beverages	8.1%
Commercial Services	7.9%
Industrial Services	7.5%
Commercial Services	6.7%
Commercial Services	6.3%
Industrial Services	6.2%
Real Estate Investment Trusts	6.2%
Materials	5.4%
Real Estate Services	4.4%
Medical Devices	4.2%
Other investments	5.8%
Total Equity Exposure	**68.7%**
Net Cash	31.3%
Total	**100%**

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