DISCIPLINED RISK REBALANCING... CONTRARY TO THE 'HERD'.

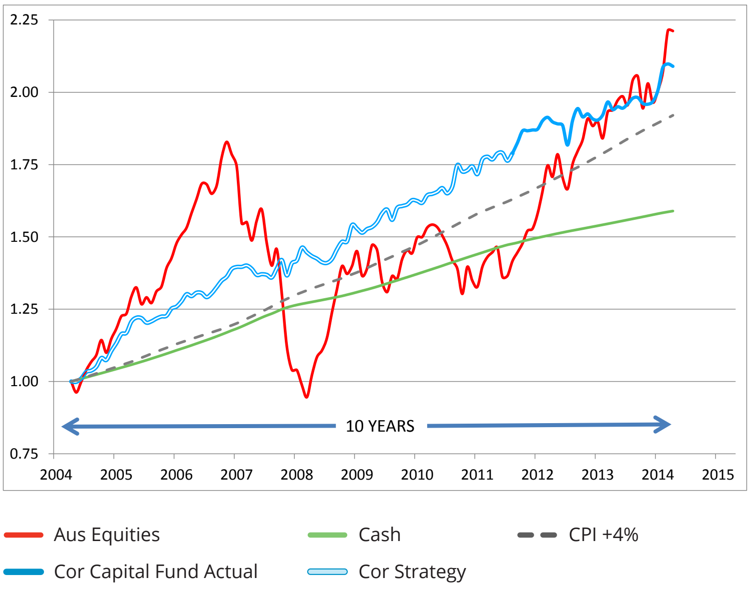
"Be fearful when others are greedy and greedy when others are fearful" Warren Buffett

Dear Investor,

Although it is very likely you have previously read the quote above please consider it again carefully in context of your investment in the Cor Capital Fund. I believe that what we do on your behalf is essentially implement this piece of advice in a systemised manner and with significant downside protection. It isn't unique advice but in our experience managers who actually invest this way are rare.

For the quarter to the end of March the Cor Capital Fund returned 4.2 percent, bringing the 12-month return to 7.7 percent. The Fund has returned 6.1 percent per annum since inception in August 2012 which is approximately in line with the target total return of CPI inflation plus 4 percent per annum.

Chart 1. Value of $1 invested over 10 years



* See Important Information about this Chart at the end of this Report

As we approach our 3-year anniversary we are becoming increasingly confident that our unique and permanent asset allocation will continue to position our investors for profit but also protect them from losses. Disciplined risk rebalancing is critical to the success of our approach and higher volatility in equities and precious metals markets during the quarter triggered a number of significant changes to the portfolio. As always these adjustments involved trimming the Fund's investment in relatively popular assets and adding to unpopular assets, contrary to the 'herd'.

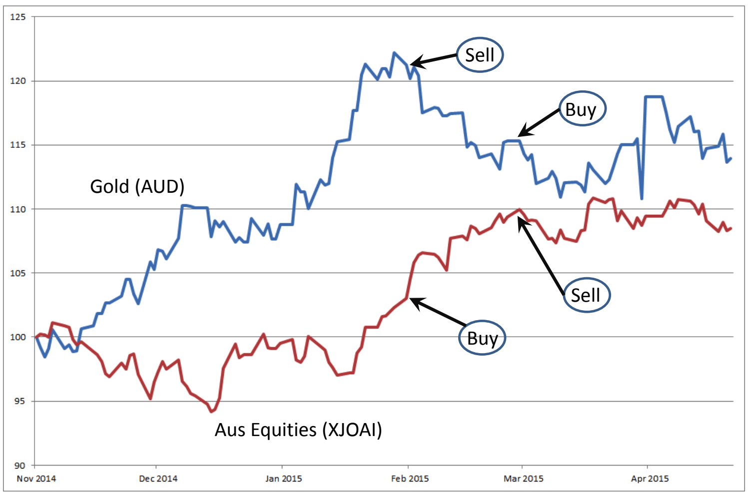
Towards the end of 2014 the price of gold was very strong following sustained weakness. By the end of January this year the position exceeded 28 percent of the portfolio and our cash position was also on the low side. This resulted in a rebalance of asset class weightings, including a sale of approximately 11 percent of the Fund's gold bullion position.

February saw a relative reversal of the above with the equity market surging nearly 7 percent and gold falling 5 percent. Our weighting limits were again breached causing a trimming of the equities position and a topping up of gold.

Chart 2 below shows the points where we bought and sold equities and gold during the quarter. Rebalancing always involves cash and bonds as well but I will draw your attention to the two more volatile asset classes. I want to remind readers that the driver of these transactions is a focus on actively managing risk and not opinions about the future direction of prices. Our process involves trimming the 'loved' assets and topping up the 'unloved' as we believe the most popular assets are more likely to be expensive and vice versa.

The last quarter's transactions were relatively unusual in size. Volatility was low through most of last year and we hadn't rebalanced the asset allocation since May 2014. However, the changes shown demonstrate how the fund can capture volatility in its returns without making predictions. Following from this, it is important to remember that volatility is only good for the Fund's returns because the chosen assets are uncorrelated.

Chart 2.
Selected asset class transactions for the March 2015 quarter



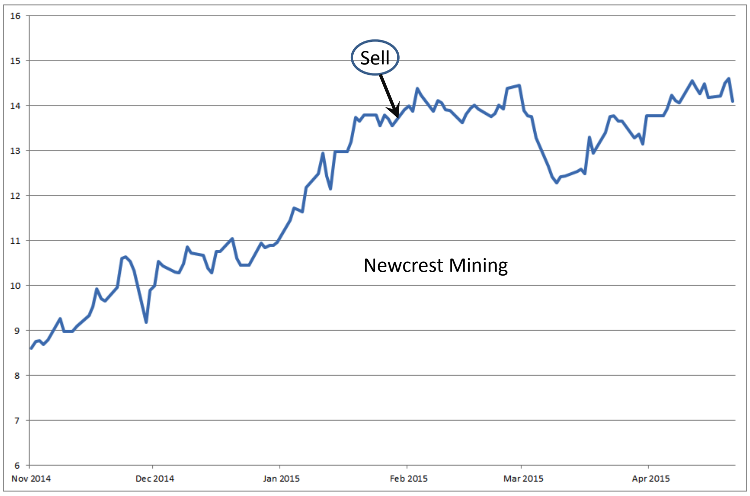
Asset Allocation 31 March 2015

GOLD 25.1%	FIXED INT 25.3%	EQUITIES 24.7%	CASH 24.9%

The Cor Capital Fund follows a similar *diversify and rebalance* process at stock and sector level within the equity component of its portfolio. During the quarter the most significant trades were a trimming of the Newcrest Mining position following a 65 percent surge in its share price over three months; a topping up of Woolworths following its profit downgrade; and also a topping up of Fortescue Metals which had fallen around 40 percent following balance sheet concerns and the falling price of iron ore. Note that these changes do not occur in isolation but along with a full rebalance of all positions within the relevant industry sector.

We are happy to make these adjustments on your behalf because we believe they often prove to be overreactions by the market in either direction. They represent an opportunity to rebalance our risk as well as add to return by taking advantage of common sentiment. As with the 4 asset classes, such adjustments require large relative price moves beyond pre-determined limits – we are not constantly transacting and turnover remains contained.

Charts 3-4.
Most significant equities transactions for the March 2015 quarter



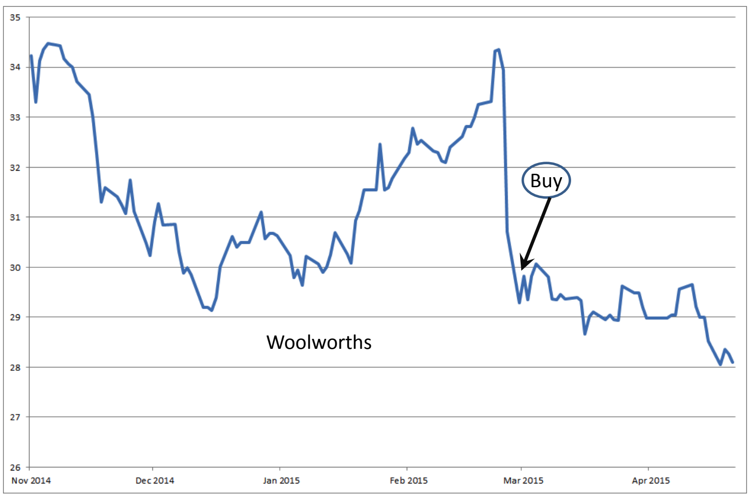
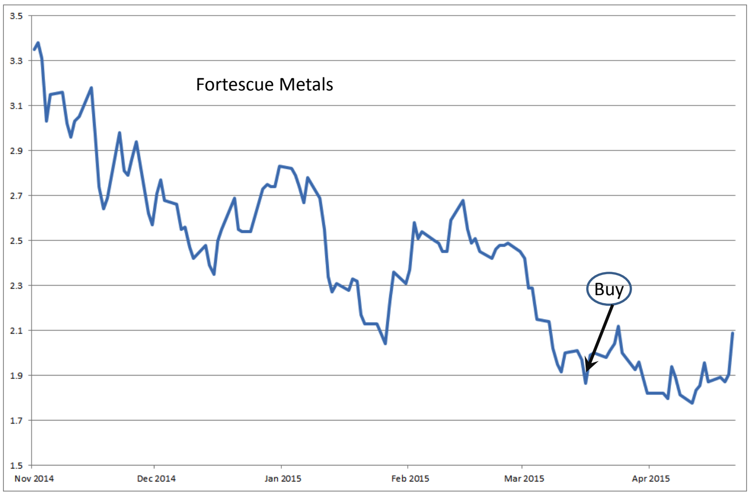


Chart 5 .
Most significant equities transactions for the March 2015 quarter (Cont'd)



Performance Attribution

The Cor Capital Fund is first and foremost an alternative to traditional managed investment approaches. Looking at performance attribution over the last quarter and also the last 12 months I am pleased to see contributions from all asset classes but particularly the gold bullion position which we topped up at lower levels during 2013 and 2014.

Although positive contributions from all assets appear to suggest positive correlation, the truth is slightly more complex; at the broad asset class level our experience and backtesting suggest this is rarely sustained and certainly not the case under extreme conditions. Performance can also include the 'harvesting' of volatility, which I have discussed in previous notes. This can cause overall returns to exceed what would be achieved had the asset position simply been held static over the period.

Chart 6. Performance attribution – 12 months

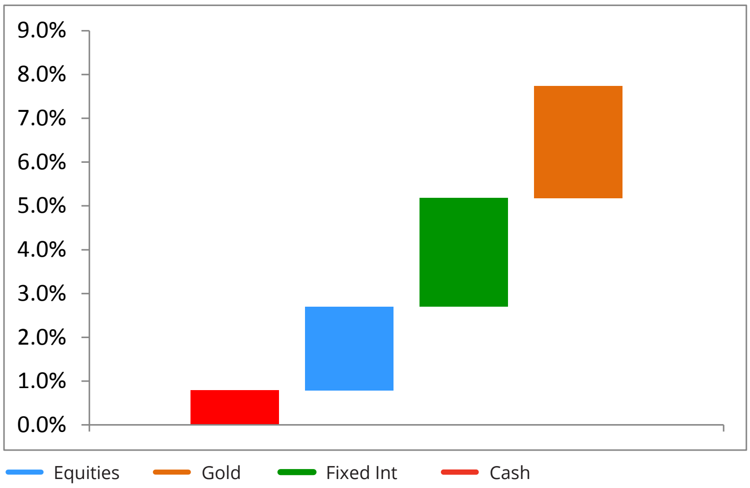
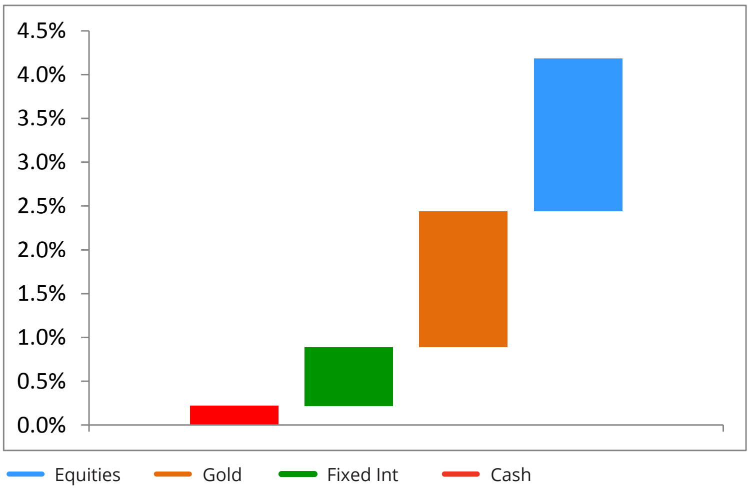


Chart 7. Performance attribution – 3 months



My strong beliefs about complacency in an unprecedented market environment are well documented in previous reports. Concentrated exposures will prove speculative in hindsight should a more significant deflation or (eventually) inflation become possibilities. The capital you cannot afford to lose must be prepared for multiple outcomes and must also capitalise on volatility.

Rather than assuming that positions can be easily adjusted at the time, we simply make sure you are permanently on multiple horses before one of them bolts. We have a system and we stick to it.

Advisory Board

I am pleased to announce the creation of the Cor Capital Advisory Board during the last quarter and the appointment of its inaugural members, Roger Gillespie, Michael Andrew and Andrew Myer. Roger, Michael and Andrew are all business leaders and investors in their own right and I am extremely lucky to be able to benefit from their skills and experience. The Advisory Board will meet informally to discuss governance, corporate strategy and business continuity. More information is available on our website.

Davin Hood – Portfolio Manager
April 2015

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*Chart displays the change in value of $1 invested in each of the Cor Strategy (as described in the information Memoranda - August 2012 and September 2014), bank bills and Australian equities. It also shows the actual performance of the Cor Capital Fund since inception in August 2012. Results for the Cor Strategy are theoretical and do not represent actual results. Neither theoretical or actual past returns should be taken as a prediction of likely future returns. Returns include the notional reinvestment of income. Source: Cor Capital Pty Ltd, IRESS.