

**ASX Announcement  
(ASX: AUF)  
Investment and NTA update at 31 October 2015**

**Overview**

The unaudited, pre-tax net tangible asset (NTA) backing of the Asian Masters Fund (AUF) at 31 October was \$1.38 per share (compared with \$1.33 at 30 September 2015).

The Asian Masters Fund is a long-term equity investor and does not intend to dispose of its total portfolio. If estimated tax at 30% on unrealised portfolio gains were to be recognised, the net asset backing after tax would be \$1.26 per share.

AUF's unaudited, pre-tax NTA per share returned +4.4% over the month of October. This compares with the MSCI Asia ex Japan Index (total return in Australian dollars), which rose 6.0% over the same period. Since its initial public offering, AUF has outperformed its benchmark by 42.0%. At 31 October 2015, AUF was 98% invested and had investments in 13 funds with a total portfolio value of \$177,438,231.

**Market Commentary<sup>1</sup>**

Asia ex Japan markets rallied in October as the Chinese economy showed signs of stabilisation and concerns over an interest rate hike in the United States receded. Sentiment was further boosted by China's decision to ease monetary policy. The MSCI Asia ex Japan Index (the Index) rose 6.0%, and all markets posted positive returns during the month.

Indonesia (+10.7%) was the best performing market in the region, as equities surged amid the announcement of new economic stimulus packages, foreign inflows and a strengthening currency.

China's stock markets bounced back in October, with China A-Shares and China H-Shares rising 9.1% and 8.6%, respectively. Investor confidence strengthened after China's gross domestic product grew at a higher-than-expected 6.9% year-on-year in the third quarter. Equities were also supported by China's central bank decision to lower interest rates by 25 basis points (bps) and the reserve requirement ratio by 50bps, the fourth rate cut this year.

Singapore (+7.4%), Vietnam (+7.0%) and Hong Kong (+6.8%) outperformed the Index during the month. Korea (+5.4%), Taiwan (+4.4%), Thailand (+3.8%), Malaysia (+3.4%) and the Philippines (+1.5%) underperformed.

India (+0.4%) was the worst performing market in the region as equities remained largely muted on the back of disappointing corporate earnings in the September quarter.

The Australian dollar closed out October at 71.38 US cents, increasing 1.7% on September's close of 70.18 US cents.

<sup>1</sup> All figures in Australian dollars (AUD) unless specified otherwise

Source: Walsh & Company Asset Management Pty Limited. Note some figures may not reconcile due to rounding. The historical performance of the Manager is not a guarantee of the future performance of the Portfolio or the Company.