



13 January 2016

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

Overview

The unaudited, pre-tax net tangible asset (NTA) backing of the Asian Masters Fund (AUF) at 31 December was \$1.34 per share (compared with \$1.34 at 30 November 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 \$1.23 per share.

AUF's unaudited, pre-tax NTA per share returned -0.1% over the month of December. This compares with the MSCI Asia ex Japan Index (total return in Australian dollars), which declined 1.3% over the same period. Since its initial public offering, AUF has outperformed its benchmark by 46.0%. At 31 December 2015, AUF was 98.6% invested and had investments in 13 funds with a total portfolio value of \$168.8m.

Market Commentary¹

The United States (US) Federal Reserve (Fed) raised interest rates by 25 basis points, the first rate hike in nine years. Expectations of monetary tightening in the US led to declines across Asian stock markets in the beginning of the month. However, better-than-expected economic data from China and the Fed's emphasis on gradual interest rate increases led to a partial recovery. The MSCI Asia ex Japan Index (the Index) declined 1.3% during the month.

Indonesia (+2.5%) was the best performing market in December as equities surged after the announcement of further economic stimulus measures and expectations of monetary easing. China A-Shares gained 2.4% amid signs of improving economic conditions.

Vietnam (+0.5%), Singapore (0.0%), Philippines (-0.4%), India (-0.4%), Malaysia (-0.5%) and Hong Kong (-1.1%) outperformed the Index during the month.

Taiwan (-1.4%), China H-Shares (-2.1%) and Korea (-3.8%) underperformed the MSCI Asia ex Japan Index.

Thailand was the worst performing market, declining 6.5% during the month, on the back of weak external demand and significant foreign investment outflows.

The Australian dollar closed out December at 72.86 US cents, increasing 0.8% on November's close of 72.27 US cents.

¹ 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.