

12 April 2016

**ASX Announcement
(ASX: AUF)
Investment and NTA update at 31 March 2016**

Overview

The unaudited, pre-tax net tangible asset (NTA) backing of the Asian Masters Fund (AUF) at 31 March was \$1.20 per share (compared with \$1.18 at 29 February 2016).

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 \$1.13 per share.

AUF's unaudited, pre-tax NTA per share returned +1.6% over the month of March. This compares with the MSCI Asia ex Japan Index (total return in Australian dollars), which increased 3.7% over the same period. Since its initial public offering, AUF has outperformed its benchmark by 34.9%. At 31 March 2016, AUF was 98.7% invested and had investments in 13 funds with a total portfolio value of \$151.0m.

Market Commentary¹

Following two consecutive monthly losses, Asia ex Japan markets surged in March and registered the biggest monthly gain since 2009. Dovish comments by the United States (US) Federal Reserve, weakness in the US dollar and a rebound in commodity prices helped markets erase some of the losses in 2016. The MSCI Asia ex Japan Index (the Index) gained 3.7% during the month.

China, India, Korea and the Philippines exhibited the strongest rebound, while Southeast Asian Markets generally lagged on the upturn.

China H-Shares (+6.3%) and China A-Shares (+5.9%) rose significantly on the back of better-than-expected economic data and currency appreciation. China's Prime Minister Li Keqiang's comments on economic reforms during the National People's Congress session in Beijing raised hopes of further stimulus measures. The central bank's decision to ease capital requirement rules for banks on 29 February also supported the market. India (+6.2%) was the second best performing market as equities rallied after the announcement of a pragmatic budget which stuck to earlier budget deficit and fiscal consolidation targets.

Korea (+5.3%), Philippines (+5.3%), Malaysia (+5.2%) and Singapore (+3.8%) outperformed the Index during the month. Hong Kong (+2.0%), Thailand (+0.6%), Taiwan (-0.1%) and Vietnam (-6.1%) underperformed. Indonesia (-3.6%) was the second worst performing market, but gained 1.7% in local currency terms on the back of a 25 basis points interest rate cut by the central bank, the third rate cut this year.

The Australian dollar closed out March at 76.57 US cents, increasing 7.2% on February's close of 71.41 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