

12 May 2016

**ASX Announcement
(ASX: AUF)
Investment and NTA update at 30 April 2016**

Overview

The unaudited, pre-tax net tangible asset (NTA) backing of the Asian Masters Fund (AUF) at 30 April was \$1.21 per share (compared with \$1.20 at 31 March 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 \$1.14 per share.

AUF's unaudited, pre-tax NTA per share returned 1.0% over the month of April. This compares with the MSCI Asia ex Japan Index (total return in Australian dollars), which was flat over the same period. Since its initial public offering, AUF has outperformed its benchmark by 36.4%. At 30 April 2016, AUF was 97.3% invested and had investments in 13 funds with a total portfolio value of \$152.7m.

Market Commentary & Fund Update¹

Following a significant surge in March, the MSCI Asia ex Japan Index (the Index) was flat in April amid generally positive market sentiment aided by signs of economic stabilisation in China, absence of a rate hike by the United States Federal Reserve, a weaker US dollar and stronger commodity prices. Domestic factors drove the dispersion in performance.

Vietnam (+7.7%) was the best performing market as equities rallied on the back of a rebound in commodity prices and robust gross domestic product growth forecast by the International Monetary Fund. Hong Kong gained 2.4% amid signs of economic recovery from China.

Thailand (+2.0%), Singapore (+1.7%), India (+1.5%), Korea (+0.5%) and Indonesia (+0.3%) outperformed the Index during the month. Indian stocks registered gains on the back of a 25 basis point interest rate cut by the reserve bank and an above-normal monsoon forecast.

China H-Shares posted minor gains (+0.2%), while China A-Shares (-1.3%) underperformed the Index. The Philippines (-2.6%) and Malaysia (-2.7%) also underperformed the Index during the month driven by domestic factors.

Taiwan (-3.7%) was the worst performing market, as stocks declined due to a sharp correction of technology stocks amid concerns about global smart phones sales.

The Australian dollar closed out April at 76.03 US cents, decreasing 0.7% on March's close of 76.57 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