

**Asian Masters Fund Limited
(ACN 127 927 584)
Notice of Annual General Meeting**

Notice is given that the Annual General Meeting of Shareholders of Asian Masters Fund Limited (**Company**) will be held as follows:

Date: **Thursday, 17 November 2016**

Time: **10:00am (AEDT)**

Venue: **Level 15
100 Pacific Highway
North Sydney, NSW 2060**

Ordinary Business

Financial Statements and Reports of the Directors and Auditor

To receive and consider the Financial Statements of the Company and the Reports of the Directors and Auditor for the financial year ended 30 June 2016.

1. *Re-election of Director – June Aitken*

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Ms June Aitken, who retires from office in accordance with the Company’s Constitution and, being eligible, offers herself for re-election, be re-elected as a Director of the Company.”

Note: please see the Explanatory Memorandum for a detailed biography on June.

2. *Re-election of Director – Maximilian Walsh*

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Mr Maximilian Walsh, who retires by rotation in accordance with the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

Note: please see the Explanatory Memorandum for a detailed biography on Maximilian.

3. *Re-election of Director – Christopher Lee*

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Mr Christopher Lee, who retires by rotation in accordance with the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

Note: please see the Explanatory Memorandum for a detailed biography on Christopher.

4. Remuneration Report

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

“In accordance with Section 250R of the Corporations Act, the Company adopts the Remuneration Report as set out in the Directors’ Report.”

Notes:

- (a) The vote on this resolution is advisory only and does not bind the Directors or the Company.
- (b) The Company’s key management personnel and their closely related parties must not cast a vote on the remuneration report unless they are appointed in writing as a proxy for a Shareholder (other than a member of the Company’s key management personnel and their closely related parties) eligible to vote on the resolution and that proxy specifies how to vote on the resolution.
- (c) The Chairman may cast a vote on the remuneration report if appointed in writing as a proxy for a Shareholder (other than a member of the Company’s key management personnel and their closely related parties) eligible to vote on the resolution and where that proxy does not specify how to vote on the resolution only if the proxy form authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.
- (d) The Chairman will vote all undirected proxies in favour of this resolution. If you wish to vote “against” or “abstain” you should mark the relevant box in the attached proxy form.

Special Business

5. Approval of On-Market Buy-Back

To consider, and if thought fit to pass the following resolution as an **ordinary resolution**:

“That the Company authorises and approves, for the purposes of Section 257C of the Corporations Act 2001 and for all other purposes, the buy-back of up to 25% of the issued ordinary Shares on-market during the 12 month period on and from 23 November 2016 as detailed in the Explanatory Memorandum which accompanies this Notice of Annual General Meeting.”

6. Further Share Issue

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and all other purposes, the issue of up to 65,727,127 fully paid ordinary Shares pursuant to an offer to subscribe for Shares to be made under a prospectus or another form of offer document, to be issued by the Company, at an issue price and on the terms and conditions set out in the Explanatory Memorandum, is authorised and approved.”

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 6 by a person who may participate in the proposed issue, and each person who may obtain a benefit, other than in the capacity of a holder of ordinary shares, if the resolution is passed, and all associates of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Note: Shareholders who vote on Resolution 6 and whose votes are counted will not be eligible to participate in any capital raisings pursuant to the approval obtained for this resolution (if passed).

Other Information

An Explanatory Memorandum accompanies and forms part of this Notice of Annual General Meeting.

All Shareholders should read the Explanatory Memorandum carefully and in its entirety. Shareholders who are in doubt regarding any part of the business of the Meeting should consult their financial or legal adviser for assistance.

Proxies

Any Shareholder entitled to attend and vote at this Meeting is entitled to appoint not more than 2 proxies to attend and vote in his/her stead.

A proxy need not be a Shareholder of the Company.

If the Shareholder appoints 2 proxies, the Shareholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the votes. If the specified proportion or number of votes exceed that which the Shareholder is entitled to, each proxy may exercise half of the Shareholder's votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

Proxies must be:

- (a) lodged by posting them or delivering them by hand to the address specified below;
- (b) received at the fax number specified below; or
- (c) registered online at www.votingonline.com.au/aufagm2016;

not later than 48 hours before the Meeting i.e. 10:00am (AEDT) on Tuesday 15 November 2016.

Address: Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001, Australia

Fax Number: +61 2 9290 9655

A form of proxy is provided with this Notice.

Entitlement to Vote

In accordance with Section 1074E(2)(g)(i) of the Corporations Act and Regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the Meeting all shares in the capital of the Company will be taken to be held by the persons who held them as registered holders at 7:00pm on **Tuesday** 15 November 2016. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

By order of the Board

Hannah Chan
Company Secretary
17 October 2016

**Asian Masters Fund Limited
(ACN 127 927 584)
Explanatory Memorandum**

This Explanatory Memorandum relates to the Annual General Meeting of the Company to be held at **Level 15, 100 Pacific Highway, North Sydney NSW 2060** on **Thursday, 17 November 2016** at **10:00 am (AEDT)**.

Ordinary Business

Financial Report and Reports of the Directors and Auditor

This item allows Shareholders the opportunity to receive and consider the Financial Statements of the Company and the Reports of the Directors and Auditor for the financial year ended 30 June 2016. Under Section 317 of the Corporations Act the Company is required to lay these three reports that together comprise the Company's annual report before its Shareholders at its Annual General Meeting.

Resolution 1 - 3. Re-election of Directors

Under Rule 6.4 of the Company's Constitution one-third of the Company's Directors or the number nearest to one-third, of the Company's longest serving Directors since the last election or re-election, and not including a Director appointed by the remaining Directors either to fill a casual vacancy or as an addition to the existing Directors, must retire unless re-elected. Mr Maximilian Walsh and Mr Christopher Lee seek re-election under Rule 6.4 of the Company's Constitution.

Under Rule 6.2 of the Company's Constitution the Directors may appoint any person to be a Director as long as the total number of Directors does not exceed the maximum number under the Constitution. Any Director so appointed holds office only until the end of the next following general meeting and is eligible for re-election at that meeting. Ms June Aitken was appointed to the Board on 1 December 2015 to fill a casual vacancy and now seeks re-election under Rule 6.2 of the Company's Constitution.

The retiring Directors are eligible for re-election in accordance with the Listing Rules and the Company's Constitution.

Resolutions 1 - 3 provide for the re-elections of Ms June Aitken, Mr Maximilian Walsh and Mr Christopher Lee, as Directors of the Company in accordance with the Company's Constitution. See below for details of their backgrounds.

June Aitken

June Aitken, having been appointed as a Director since the last general meeting of members, offers herself for re-election as a Director of the Company.

June has over 30 years' experience in Asian Equity markets. She was a founding partner and investor of Osmosis Investment Management LLP, a company established in 2009, that uses quantitative methodology which utilises environmental information to identify resource efficient companies.

Prior to this, June held numerous senior roles at HSBC Bank plc, London, where she was Global Head of Emerging Market Equity Distribution from 2004 to 2006 and Head of Strategy Management

for two years after that. June previously worked at UBS AG, where she was Managing Director, Head of Global Equity Production, Global Head of Asian Equities and a director of Asian Equity Sales for 12 years. She also has experience at various London-based Asian equity sales firms, gaining early experience at Montagu LoebL Stanley and Partners, Wi Carr Securities and County Natwest Securities between 1983 and 1991.

June is currently a member of the advisory board of ASX-listed Emerging Markets Masters Fund (ASX: EMF) and is a partner in a private consultancy business advising asset managers. She was also previously on the board of HSBC Bank Japan, Aquarius Fund, an Asian fixed income fund, Erudine Holdings Ltd, a financial software consultancy firm, and the Shepherds Bush Housing Group. June holds a Bachelor of Arts (with honours) from Oxford University, majoring in Philosophy, Politics and Economics.

Maximilian Walsh

Max is regarded as one of Australia's leading economists and business journalists. He has specialised experience in the areas of business, economics and politics in a journalistic career spanning decades. Amongst numerous previous executive roles, Max was editor and managing editor of The Australian Financial Review and Editor-in-Chief of The Bulletin. He also served on the board of Northern Star TV (predecessor to Channel Ten).

Max is currently Deputy Chairman of Dixon Advisory Group. He is co-founder & Chairman of the Advisory Board of Walsh & Company. He is also a director of Australian Governance Masters Index Fund Limited and sits on the advisory board of Emerging Markets Masters Fund and US Select Private Opportunities Fund II.

Christopher Lee

Christopher has over 20 years of global financial markets experience, managing derivative product development and providing equity sales and trading functions to institutional clients in 10 Asian countries with a focus on Hong Kong, Singapore and China. Currently, he is a partner at FAA Investments and co-founder at Star Magnolia Capital (Hong Kong) Ltd, private investment firms (family offices) focusing in real estate and alternative investments.

Previously, Chris held senior positions as managing director (since 2005) and a member of management and executive committees. Under his leadership at Deutsche Bank (2010-12), the Global Markets Investment Products and db-X teams customised financial solutions and products for many Asian insurance companies, banks, and asset managers and securities brokerage firms. At UBS AG, Investment Bank (2002-10), he was Head of Equity Derivatives Intermediary Sales in Asia (ex-Japan). Chris began his investment banking career at Merrill Lynch & Co. (now Bank of America) in New York in 1995.

Chris has a Bachelor of Science in Mechanical Engineering and a Master of Business Administration from the University of California, Berkeley, and has completed the Advanced Management Program at Harvard Business School. He is a native of Hong Kong, where he currently resides, and speaks fluent English and Chinese.

Resolution 4. Remuneration Report

Resolution 4 provides Shareholders the opportunity to vote on the Company's remuneration report. The remuneration report is contained in the Directors' Report. Under Section 250R(2) of the

Corporations Act, the Company must put the adoption of its remuneration report to a vote at its Annual General Meeting.

This vote is advisory only and does not bind the Directors or the Company.

The Board will consider the outcome of the vote and comments made by Shareholders on the remuneration report at this meeting when reviewing the Company's remuneration policies.

If 25% or more of the votes that are cast are voted against the adoption of the remuneration report at two consecutive Annual General Meetings, at the second of those Annual General Meetings, Shareholders will be required to consider, and if thought fit, pass an ordinary resolution (a "spill resolution") to convene another meeting within 90 days at which all of the Company's Directors other than the managing director must seek re-election to the Board.

Key management personnel (including Directors) and their closely related parties must not cast a vote on the remuneration report, other than as holders of directed proxies for Shareholders (other than members of the Company's key management personnel and their closely related parties) eligible to vote on Resolution 4. The Chairman may cast a vote on the remuneration report if appointed in writing as a proxy for a Shareholder (other than a member of the Company's key management personnel and their closely related parties) eligible to vote on Resolution 4 and where that proxy does not specify how to vote on the resolution only if the proxy expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

The Chairman will vote all undirected proxies in favour of this resolution. If you wish to vote "against" or "abstain" you should mark the relevant box in the attached proxy form.

The Company encourages all Shareholders to cast their votes on this resolution.

Special Business

Resolution 5. On-Market Share Buy-Back

1. Overview

The Company's goal is to manage its capital so as to achieve the most efficient capital structure and optimise returns to Shareholders.

At the previous Annual General Meeting on 17 November 2015, the Company received Shareholder approval for the on-market buy-back of up to a maximum of 25% of the issued ordinary Shares during the 12 month period from 23 November 2015 to 22 November 2016, equating to up to 31,005,402 Shares. The current approval will expire on 22 November 2016.

Accordingly, the Company is seeking to obtain Shareholder approval for the on-market buy-back of up to a maximum of 25% of the issued ordinary Shares during the 12 month period on and from 23 November 2016, should market conditions support this. The Company believes that the proposed new buy-back program will support its goals of achieving the most efficient capital structure possible and optimising returns to Shareholders.

The current on-market buy-back program will be stopped by the Company immediately after the Meeting, assuming Resolution 5 is approved by Shareholders. If the approval is not given, the Company will only be able to buy-back up to 10% of the smallest number of voting Shares that the Company had on issue during the 12 months preceding the buy-back (**10/12 limit**).

If Shareholders approve the buy-back, the Company will be permitted to buy back a maximum of 25% of the number of Shares it has on issue as at close of trade on 22 November 2016 over the next 12

months. If approved by Shareholders, the buy-back period will be on and from 23 November 2016 to close of trade on 22 November 2017, unless terminated earlier by the Company.

This Explanatory Memorandum sets out information that is material to the Shareholders' decision on how to vote on the buy-back resolution, including the reasons for the buy-back, the applicable terms, the financial implications and the possible advantages and disadvantages of the on-market buy-back program.

2. Purpose of the Resolution

The purpose of the buy-back resolution is to seek Shareholder approval for the extension of the current buy-back program. Under Section 257C of the Corporations Act, the Company must obtain the approval of its Shareholders in order to buy-back more than 10% of the smallest number of voting Shares that the Company had on issue during the 12 months preceding the buy-back (**10/12 limit**).

The buy-back resolution will be approved if more than 50% of votes cast at the Meeting on the resolution are in favour of the resolution.

3. Reasons for the Buy-Back

The Board considers that an on-market buy-back is an effective means of returning any surplus capital to Shareholders and will enable the Company to maintain an efficient capital structure. The Board also considers that an on-market buy-back provides the Company with flexibility to adjust the volume of Shares bought and can stop buying at any time. Implications of the buy-back program for the Company's financial position are set out in Section 6.

4. Directors' recommendation

The Directors recommend that Shareholders vote in favour of the buy-back resolution.

However in deciding how to vote, Shareholders should be aware that, among other things, some of the disadvantages of the buy-back include:

- the Company's net assets will be reduced by the amount expended on the buy-backs; and
- the buy-backs may provide some liquidity in the Company's shares in the short term however may result in reducing the liquidity in the Company's shares in the long term due to a smaller number of Shares on issue for trading.

The general advantages of an on-market buy-back include the following:

- purchases on-market can be tailored to changing market conditions;
- the Company has complete flexibility to adjust the volume of Shares bought and can stop buying at any time; and
- implementation of an on-market buy-back is simple and cost effective.

The Directors also consider the following to be advantages of the buy-backs:

- the promotion of a more efficient capital structure; and
- providing investors with an opportunity to realise their investment close to NTA if that is their desire.

5. Outline of on-market buy-backs

An on-market buy-back involves the Company buying Shares in the ordinary course of trading at the prevailing market price on the ASX, in the same way as any other market transaction.

The implementation of an on-market buy-back is regulated by both ASIC and the ASX. In particular, the ASX Listing Rules prescribe that the buy-back price must not be more than 5% above the average of the closing market prices for Shares in the Company over the previous 5 days trading in which sales were recorded before the buy-back.

The closing price of the Company's Shares on the ASX on 30 September 2016 was \$1.29. The Company's highest and lowest market sale prices and the average monthly closing prices on the ASX for the calendar year to 30 September 2016 were as follows:

Period	Low (\$)	High (\$)	Average Closing Price (\$)
Jan 16	1.31	1.22	1.27
Feb 16	1.25	1.17	1.22
Mar 16	1.25	1.17	1.21
Apr 16	1.34	1.20	1.23
May 16	1.28	1.20	1.24
Jun 16	1.32	1.23	1.26
Jul 16	1.32	1.23	1.27
Aug 16	1.35	1.28	1.30
Sep 16	1.32	1.28	1.31

Source: Iress

As at 30 September 2016, 2,845,864 Shares (or 2.3% of the issued capital of the Company as at the commencement of the current buy-back program) have been bought back under the on market buy-back scheme, approved at a general meeting of Shareholders on 17 November 2015, for a total cost of \$3,634,479 (excluding securities trade fees).

The Company must announce on the ASX the period during which Shares may be bought back (if the Company has determined this), the maximum number of Shares intended to be bought back and any other information that affect a Shareholder's decision to sell Shares. The Company also has to give daily notices containing details of the Shares bought back.

All Shareholders are eligible to participate by selling their Shares to the Company on the ASX. Participation in any buy-back is voluntary. Shareholders do not have to sell their Shares if they do not want to. Shareholders will not however have the right to withdraw sales once made.

The maximum number of Shares that the Company will buy-back on-market will be an amount equal to 25% of the issued Shares in the Company as at the close of trade on 22 November 2016. Assuming there are no issues of Shares between 30 September 2016 and 22 November 2016 this could be, up to 32,863,563, depending on the number of Shares bought back under the current on-market buy-back program between 30 September 2016 and 22 November 2016. Since an on-market buy-back involves Shares being acquired at the market price of Shares at that time, it is not possible to anticipate the total actual amount that the Company will expend on paying for the Shares. In any event the Company does not intend to pay a price higher than the estimated NTA for the Shares.

6. Financial Implications of the buy-back program

The buy-back will be funded from the Company's available cash reserves and, if required, the sale of certain investments.

The Directors have determined that the buy-back will not materially prejudice the Company's ability to pay its creditors.

As at 30 September 2016, the Company had net tangible assets of \$155,870,445 including \$1,478,894 of cash reserves available as a source of funding the buy-back. The actual amount of the buy-back to be funded will not be determined until the completion of the buy-back program.

The buy-back program is not expected to result in any reduction in the Company's franking account.

The exact impact on earnings per Share of any buy-back cannot be determined until the buy-back is completed and will depend on the number of Shares bought back, the volume-weighted average buy-back price and the source of funds used to fund the buy-back program.

A buy-back may decrease the ASX trading volumes and liquidity in the Company's Shares. It is not however possible to determine the extent of any potential decrease in liquidity at this time.

Whilst it is not possible to anticipate the total actual amount that the Company will expend on paying for the Shares, the buy-back is not expected to adversely affect NTA.

7. Effect on Control of the Company

It is not expected that there will be any effect on control of the Company following the buy-back.

8. Other material information

Approval of the resolution will not result in any tax implications for Shareholders if they do not sell their Shares. However if a Shareholder chooses to participate in the buy-back by selling their Shares then that Shareholder should obtain specific tax advice on the treatment of the sale of their Shares taking into account their particular circumstances.

On 30 September 2016 the Company had 131,454,254 Shares on issue.

The Directors of the Company have the following interests in the Company as at 30 September 2016:

Name	Number of Shares Held	Voting Interest
Maximilian Walsh	170,001	0.13%
Alexander MacLachlan	30,308	0.02%
John Holland	Nil	Nil
June Aitken	Nil	Nil
Christopher Lee	Nil	Nil

The following table shows the relevant voting interest that each Director would have if the Company bought back the remaining Shares under the existing buy-back program and all 25% permitted under any approval given and if the Directors did not sell any of their Shares:

Name	Max Voting Interest
Maximilian Walsh	0.24%

Alexander MacLachlan	0.04%
John Holland	Nil
June Aitken	Nil
Christopher Lee	Nil

The Directors may participate in the buy-back program.

Resolution 6. Further Share Issue

The Company has always actively managed its capital in the best interests of its Shareholders. Resolution 5 and Resolution 6 seek to provide the flexibility for the Company to continue to manage its capital efficiently in the best interests of Shareholders.

Resolution 6 refers to the proposed issue of up to 65,727,127 fully paid ordinary shares (**Shares**) (being up to 50% of the issued capital of the Company as at 30 September 2016) which requires Shareholder approval under Listing Rule 7.1. This approval is required as the issue of these Shares would exceed the 15% limit, imposed by Listing Rule 7.1, of issues that can be made without Shareholder approval in any 12 month period.

There is no current intention or plan by the Company to issue the Shares for which approval is sought under Resolution 6, or to conduct any capital raising. Shareholder approval is sought at this Meeting for administrative convenience and to avoid incurring additional costs of convening a separate general meeting to approve a further capital raising, should the Company decide to conduct a capital raising over the next 3 months. Under the Listing Rules, the Company must issue the Shares for which Listing Rule 7.1 approval is given within 3 months of the date of the Meeting, otherwise fresh Shareholder approval is required. Accordingly if Resolution 6 is approved, there is no guarantee that the Company will issue some or all of the Shares.

As at 30 September 2016, the Company had 131,454,254 Shares on issue. The number of Shares on issue may decrease between 30 September 2016 and the date of the Meeting by the number of Shares bought back by the Company in accordance with the on-market buy-back authorised by Shareholders on 17 November 2015.

Should the Company decide to conduct a capital raising over the 3 month period after the Meeting, the Shares as outlined in Resolution 6, will be issued subject to approval from the Board, and under an offer to subscribe for Shares to be made under a prospectus or another form of offer document, to be issued by the Company either to retail investors or to investors who are exempt from the disclosure requirements of Chapter 6D of the Corporations Act (being sophisticated or professional investors as defined by Sections 708(8), 708(10) and 708(11) of the Corporations Act), identified by the Company's placement manager. Shares will not be issued to related parties of the Company. From issue, the Shares the subject of Resolution 6 will rank equally with, and have the same terms as, ordinary shares in the Company.

The issue price for these Shares will be determined by the Directors and will not be less than 95% of the simple average of the daily volume weighted average sale price for Shares in the Company calculated over the last 5 days on which Share sales were recorded immediately prior to (but not including) the date the relevant Shares are issued.

The Company intends that the capital raising will not be dilutive to existing Shareholders' interests as the issue price per Share will likely be set at, or above, the NTA value per Share.

The proceeds of the capital raising will be utilised by the Company, in line with its current stated investment mandate, to opportunistically take advantage of attractive market conditions should they arise, and secure additional fund investments at attractive valuation levels. Part of the proceeds

raised may be deployed into acquiring further units in existing funds that are presently in the portfolio. The capital raising will allow the Company to further diversify the portfolio (if desired), reduce administrative overheads per share by spreading those costs over a larger base and over time may enhance liquidity in the secondary market.

The issue and allotment of these shares may take place progressively after the passage of Resolution 6 and in any event within 3 months of the date of this Meeting.

It should be noted that Shareholders who vote on Resolution 6 and whose votes are counted will not be eligible to participate in any capital raisings pursuant to the approval obtained for this Resolution (if passed).

Glossary

ASX means ASX Limited (ACN 008 624 691).

ASIC means the Australian Securities and Investments Commission.

Board means the board of directors of the Company.

Company means Asian Masters Fund Limited (ACN 127 927 584).

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Corporations Regulations means Corporations Regulations 2001.

Director means a director of the Company.

Explanatory Memorandum means this explanatory memorandum to the Notice.

Listing Rules means the listing rules of the ASX.

Meeting or Annual General Meeting means this Annual General Meeting.

Notice means this notice of Meeting.

NTA means net tangible assets

Share means an ordinary share in the capital of the Company.

Shareholder means a holder of a Share.