



12 May 2017

ASX Announcement

(ASX: AUF)

Investment and NTA update at 30 April 2017

Overview

The unaudited, pre-tax net tangible asset (NTA) backing of the Asian Masters Fund (AUF) at 30 April was \$1.31 per share (compared with \$1.26 at 31 March 2017).

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 3.9% over the month of April. This compares with the MSCI Asia ex Japan Index (total return in Australian dollars), which increased 4.4% over the same period. Since its initial public offering, AUF has returned 64.2%, compared with 39.2% for the MSCI Asia ex Japan Index. At 30 April 2017, AUF was 98.5% invested and had investments in 13 funds with a total portfolio value of \$174.2m.

Market Commentary ¹

Asia ex Japan markets performed well in April along with global equity markets amid easing geopolitical concerns, including a market-friendly outcome in the first round of the French presidential election. The MSCI Asia ex Japan Index (the Index) gained 4.4% in AUD terms (+2.2% in USD terms). All Asia ex Japan markets posted positive returns in AUD terms during the month.

The Philippines (+7.8%) was the best performing market in April amid expectations of earnings recovery and positive sentiment around tax reforms. Malaysia (+5.9%) posted notable gains, driven by significant buying from foreign investors and a stronger currency.

Indonesia (+4.6%) also outperformed the Index on USD1.1 billion net foreign inflows, the highest monthly inflow since July 2014. Hong Kong and India gained 4.3% and 4.2%, respectively, in line with the broader Index.

The export driven economies of Taiwan (+3.3%), Korea (+2.6%), Singapore (+2.6%) and Vietnam (+1.8%) were in the middle of the pack, while Thailand rose 1.6%.

China H-Shares (+1.6%) and China A-Shares (+1.5%) were the worst performers in the region, despite positive economic data, due to fears of monetary policy tightening and a decline in margin financing.

The Australian dollar closed out April at 74.88 US cents, decreasing 1.8% on March's close of 76.29 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