



13 October 2017

ASX Announcement

(ASX: AUF)

Investment and NTA update at 30 September 2017

Overview

The unaudited, pre-tax net tangible asset (NTA) backing of the Asian Masters Fund (AUF) at 30 September was \$1.32 per share (compared with \$1.30 at 31 August 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 27.5% on unrealised portfolio gains were to be recognised, the net asset backing after tax would be \$1.22 per share.

AUF's unaudited, pre-tax NTA per share returned 1.4% over the month of September. This compares with the MSCI Asia ex Japan Index (total return in Australian dollars), which increased 1.0% over the same period. Since its initial public offering, AUF has returned +75.8% compared with +50.1% for the MSCI Asia ex Japan Index. At 30 September 2017, AUF was 99% invested and had investments in 13 funds with a total portfolio value of \$176.3m.

Market Commentary¹

Following eight consecutive months of outperformance, Asia ex Japan markets underperformed developed markets in September amid a recovering US dollar and heightened geopolitical tensions after North Korea fired a missile over Japan. The MSCI Asia ex Japan Index (the Index) gained 1.0% in AUD terms (-0.1% in USD terms).

Thailand (+4.5%) was the best performing market in September amid consistent improvement in economic data and ample liquidity. Vietnam gained 4.3% fuelled by solid economic performance, with third quarter gross domestic product growth reported at 7.5% year-on-year.

The Philippines (+4.3%) posted substantial gains following the approval of the tax reform by the Senate. Malaysia (+1.3%) also outperformed the Index backed by energy stocks.

China A-Shares gained 1.0% while H-Shares declined 1.9% in September. Indonesia (+0.7%), Korea (+0.7%), Hong Kong (+0.1%), Singapore (-0.6%) and Taiwan (-1.5%) also underperformed the Index.

India (-2.3%) was the worst performing market for the second consecutive month amid strong foreign outflows on the back of higher oil prices and a widening fiscal deficit.

The Australian dollar closed out September at 78.34 US cents, decreasing 1.4% on August's close of 79.47 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