



14 March 2017

ASX Announcement

(ASX: AUF)

Investment and NTA update at 28 February 2017

Overview

The unaudited, pre-tax net tangible asset (NTA) backing of the Asian Masters Fund (AUF) at 28 February was \$1.23 per share (compared with \$1.21 at 31 January 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 \$1.16 per share.

AUF's unaudited, pre-tax NTA per share returned 2.7% over the month of February, taking into account the fully franked 1.1 cent per share dividend that was announced on 21 February 2017. This compares with the MSCI Asia ex Japan Index (total return in Australian dollars), which increased 1.9% over the same period. Since its initial public offering, AUF has outperformed its benchmark by 24.9%. At 28 February 2017, AUF was 99.2% invested and had investments in 13 funds with a total portfolio value of \$165.2m.

Market Commentary ¹

Asia ex Japan markets continued to perform well in February, with the MSCI Asia ex Japan Index (the Index) gaining 1.9% in AUD terms (+3.4% in USD terms).

Taiwan (+4.1%) was the best performing market in February, as technology stocks rallied on the back of robust iPhones sales and high expectations on the upcoming iPhone 8. India (+3.8%) posted significant gains, driven by a favourable union budget and signs that the recent demonetisation did not have a material impact on the economy.

China H-Shares (+3.2%) outperformed the Index, supported by strong economic data, positive earnings revisions and receding fears of capital outflows. Korea (+1.8%) performed well despite rising political tensions following the arrest of Samsung's chief in a corruption scandal. Singapore (+1.2%), Indonesia (+0.4%), China A-Shares (+0.3%), Hong Kong (+0.2%) and Malaysia (flat) posted positive returns but underperformed the Index, while Vietnam (-0.4%) and Thailand (-1.7%) posted negative returns.

The Philippines (-2.5%) was the worst performing market in the region amid rising political tensions on the local front, mixed fourth quarter corporate earnings and a weaker peso, which touched a 10-year low against the USD in February.

The Australian dollar closed out February at 76.57 US cents, increasing 0.9% on January's close of 75.85 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