

11 December 2014

**ASX Announcement
(ASX: AUF)
Investment and NTA update at 30 November 2014**

Overview

The unaudited, pre-tax net tangible asset (NTA) backing of the Asian Masters Fund (AUF) at 30 November was \$1.14 per share (compared with \$1.08 at 31 October 2014).

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 \$1.06 per share.

AUF's unaudited, pre-tax NTA per share returned +5.4% over the month of November. This compares with the MSCI Asia ex Japan Index (total return in Australian dollars), which rose 3.7% over the same period. Since its initial public offering, AUF has outperformed its benchmark by 22.3%. At 30 November 2014, AUF was 98% invested and had investments in 12 funds with a total portfolio value of \$140,856,920.

Market Commentary

Asian equities declined in the first half of November on the back of US dollar (USD) strength and falling commodity prices. Unexpected monetary easing in China and Japan spurred a rally towards the end of the month, and the MSCI Asia ex Japan Index (the Index) gained 3.7% in Australian dollar (AUD) terms (+0.3% in USD terms). The Australian dollar depreciated sharply in November, resulting in higher gains in AUD terms.

China was the best performing market in the region with China A-shares rising 15.2% and China H-shares rising 7.1% in AUD terms. Equities rallied after the central bank unexpectedly cut interest rates. The Chinese economy is headed for its slowest annual growth in almost 25 years and the rate cut stoked speculation of further easing efforts to accelerate growth. India (+5.0%) also performed well as falling crude oil prices helped ease inflation.

Philippines (+4.5%), Singapore (+4.2%) and Taiwan (+4.0%) all outperformed the Index in AUD terms. Indonesia (+3.5%), Hong Kong (+3.4%), Thailand (+3.2%) and Korea (+0.5%) posted positive returns but underperformed the Index.

Vietnam (-2.8%) was the worst performing market in the region, followed by Malaysia (-1.0%). Both markets performed poorly on the back of falling oil prices.

The Australian dollar closed out November at 85.06 US cents, decreasing 3.3% on October's close of 87.98 US cents.

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.