



ASIAN
MASTERS FUND





Annual General Meeting

27 Oct 2009



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Agenda

Chairman's Address

Investment Update

Ordinary Business

Chairman's Address

Max Walsh

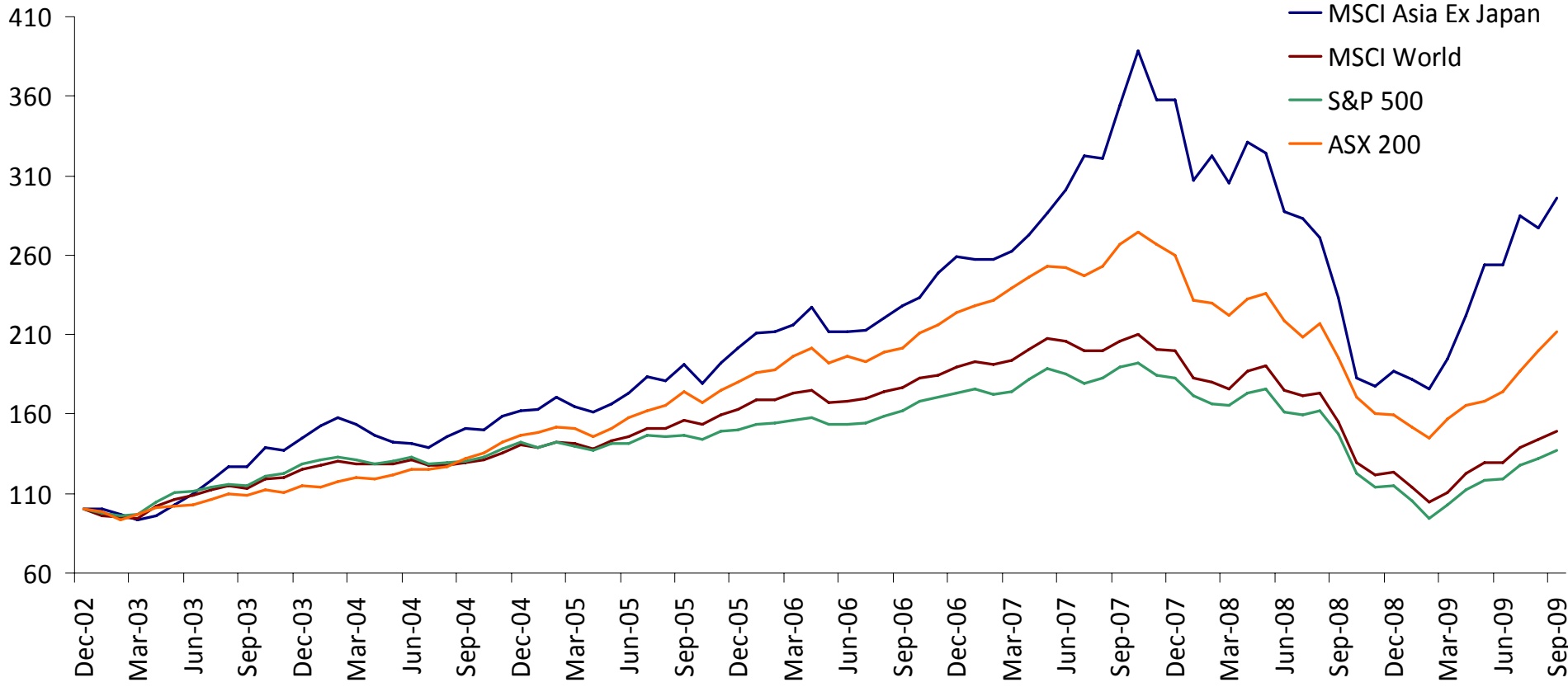
Market Overview

- The Global Financial Crisis began just before the fund listed in December 2008 and stockmarkets fell until March 2009
- Markets have now retraced around half the falls
- Asian exports fell as global demand collapsed. But Asia's financial systems were not exposed to the meltdown
- Despite significant headwinds the Asian Masters Fund has significantly outperformed the benchmark since listing
- In August and October 2009 the Fund raised approx \$22 million in placements of shares



Asia Ex-Japan long term outperformance

Global markets performance 31 Dec 2002 to 22 October 2009

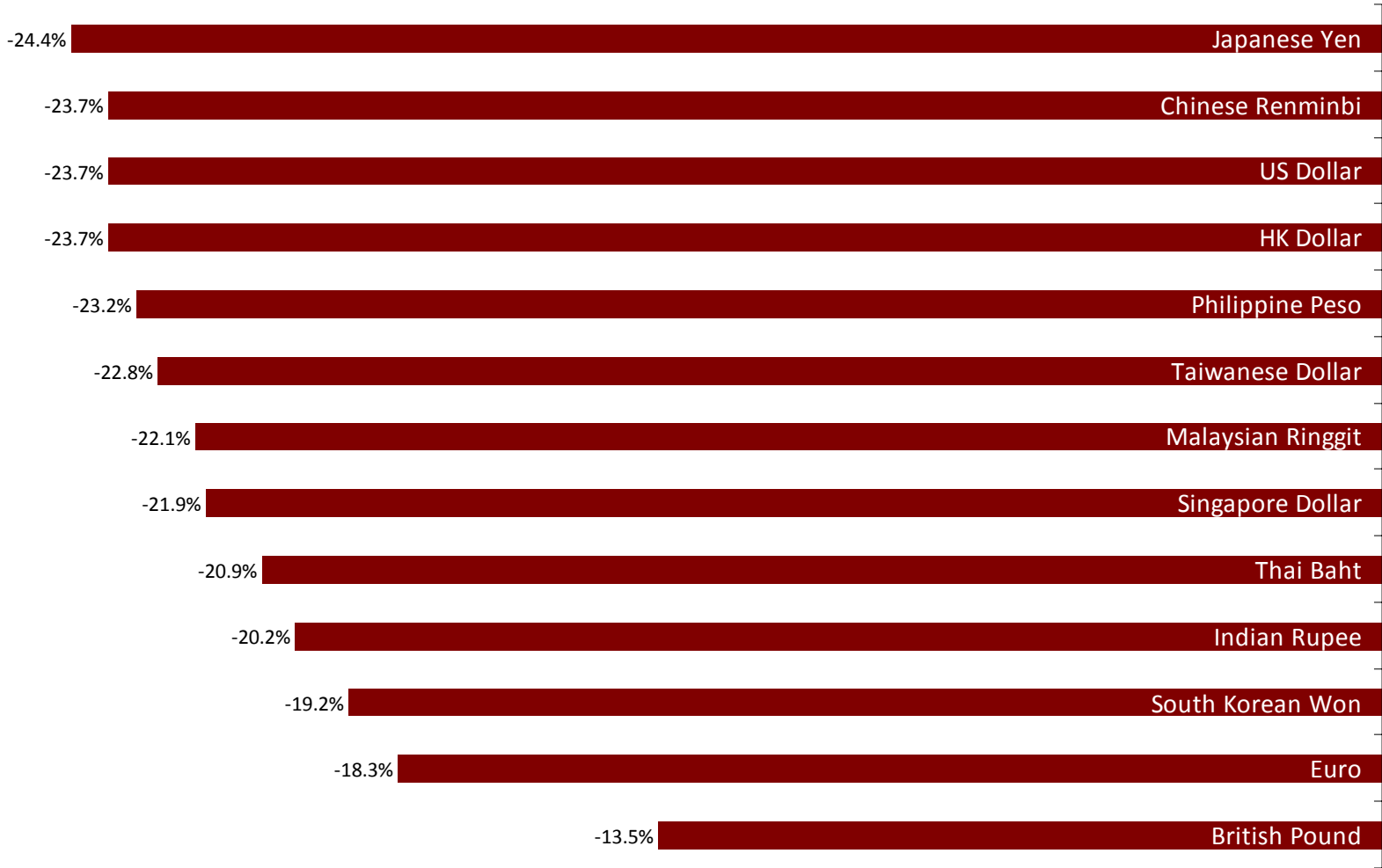


Source: Bloomberg



Australian Dollar rises against Asian and major currencies

Performance of currencies against the Australian dollar from 1 Jan 2009 to 22 Oct 2009



Source: Bloomberg



Market Outlook

- Asia trip this month confirmed that the outlook for the fund is looking bright. The region is leading the recovery.
- Chinese latest September quarter economic growth data a very strong 9%
- Chinese authorities are beginning to curb bank lending
- And are placing greater emphasis on domestic growth ahead of export led growth
- All in all the 21st century is shaping up to be Asia's century



Investment Update

Alex Maclachlan



Agenda

Performance of Asian Masters Fund

The case for investing in Asia

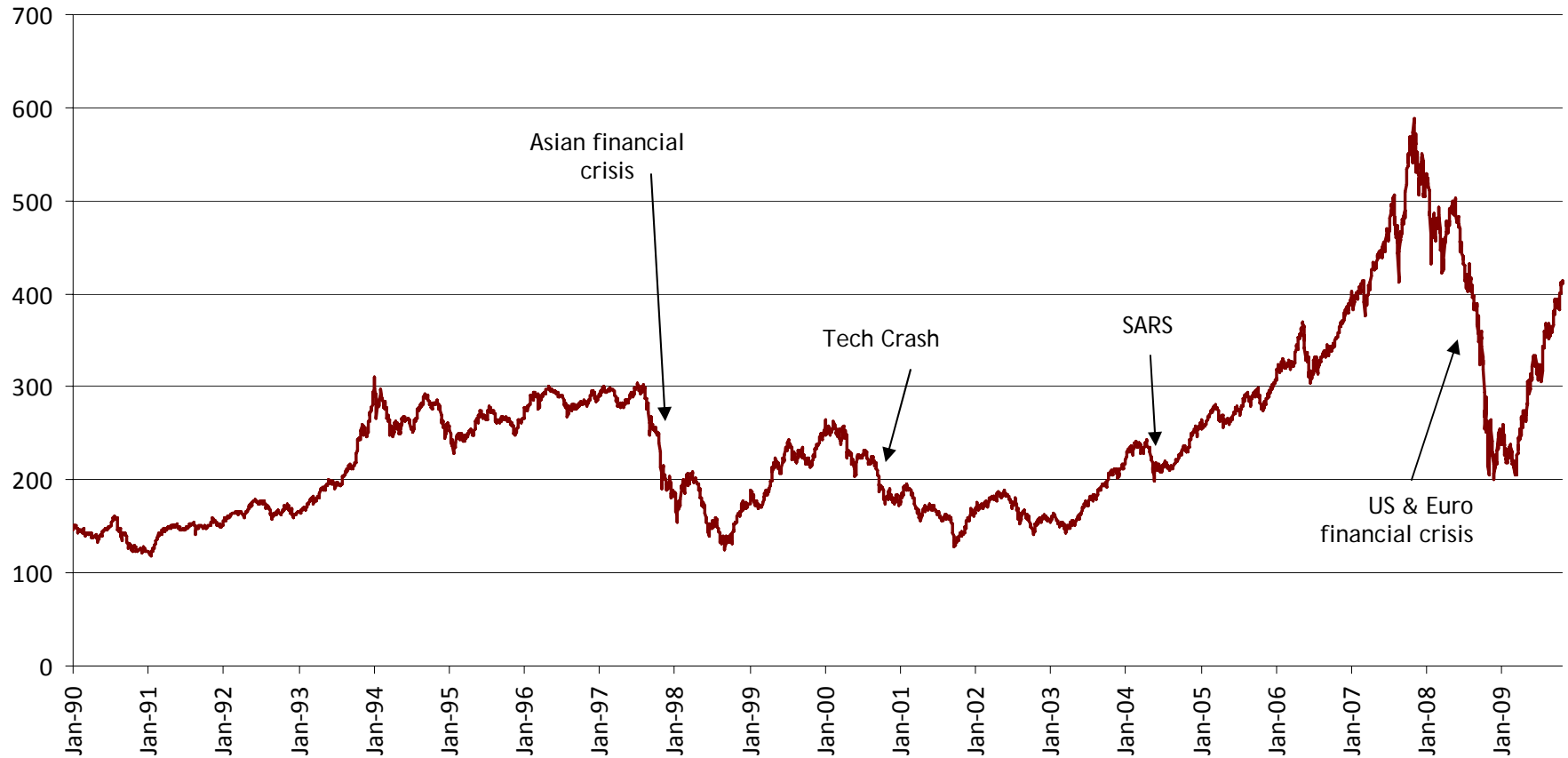
Proposed changes to management of Asian Masters Fund

Concluding Remarks



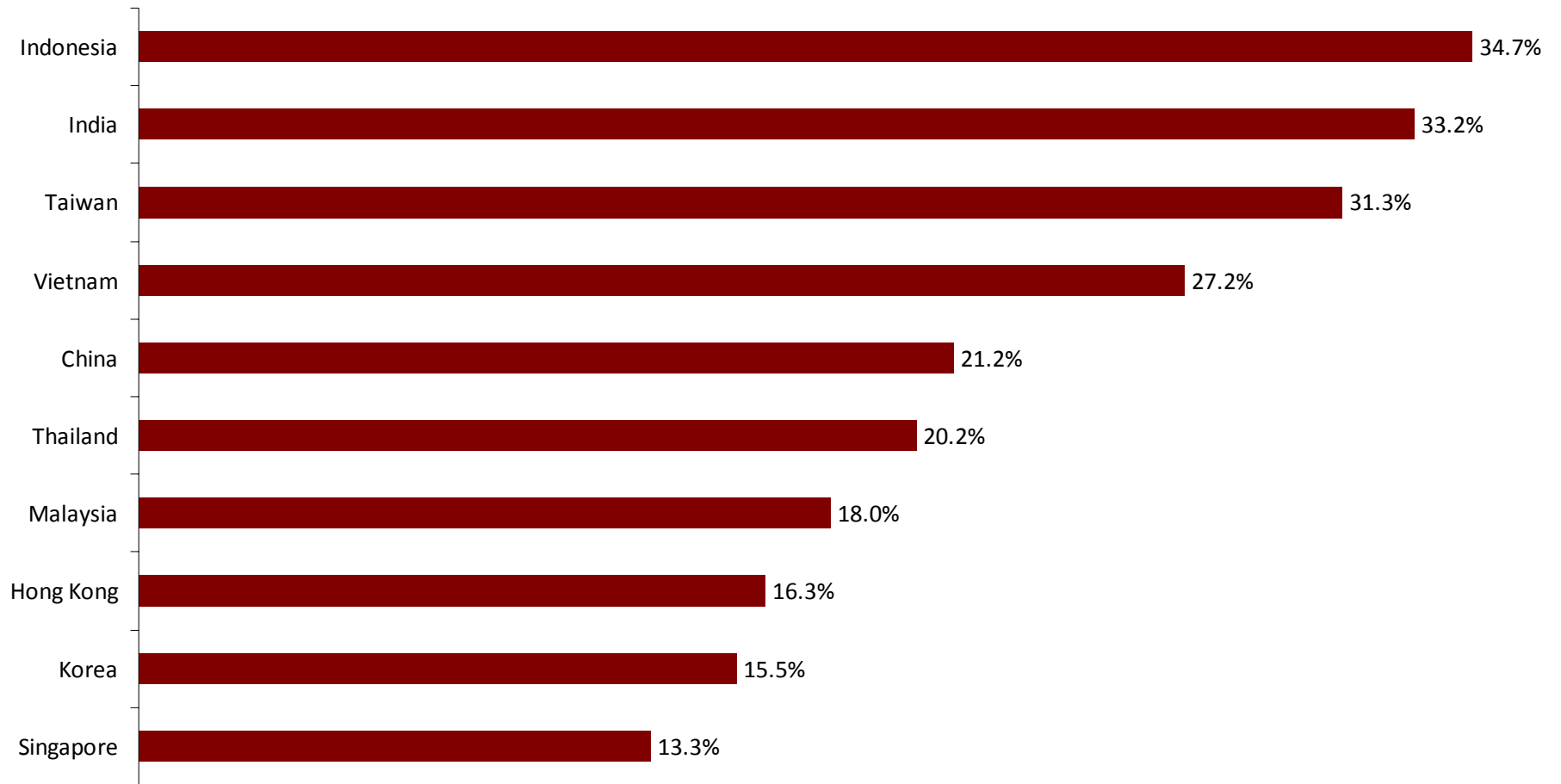
MSCI Asia Pacific (ex Japan)

1 Jan 1990 - 22 Oct 2009



Key Asian markets

Performance 30 Sept 2008 - 30 Sept 2009

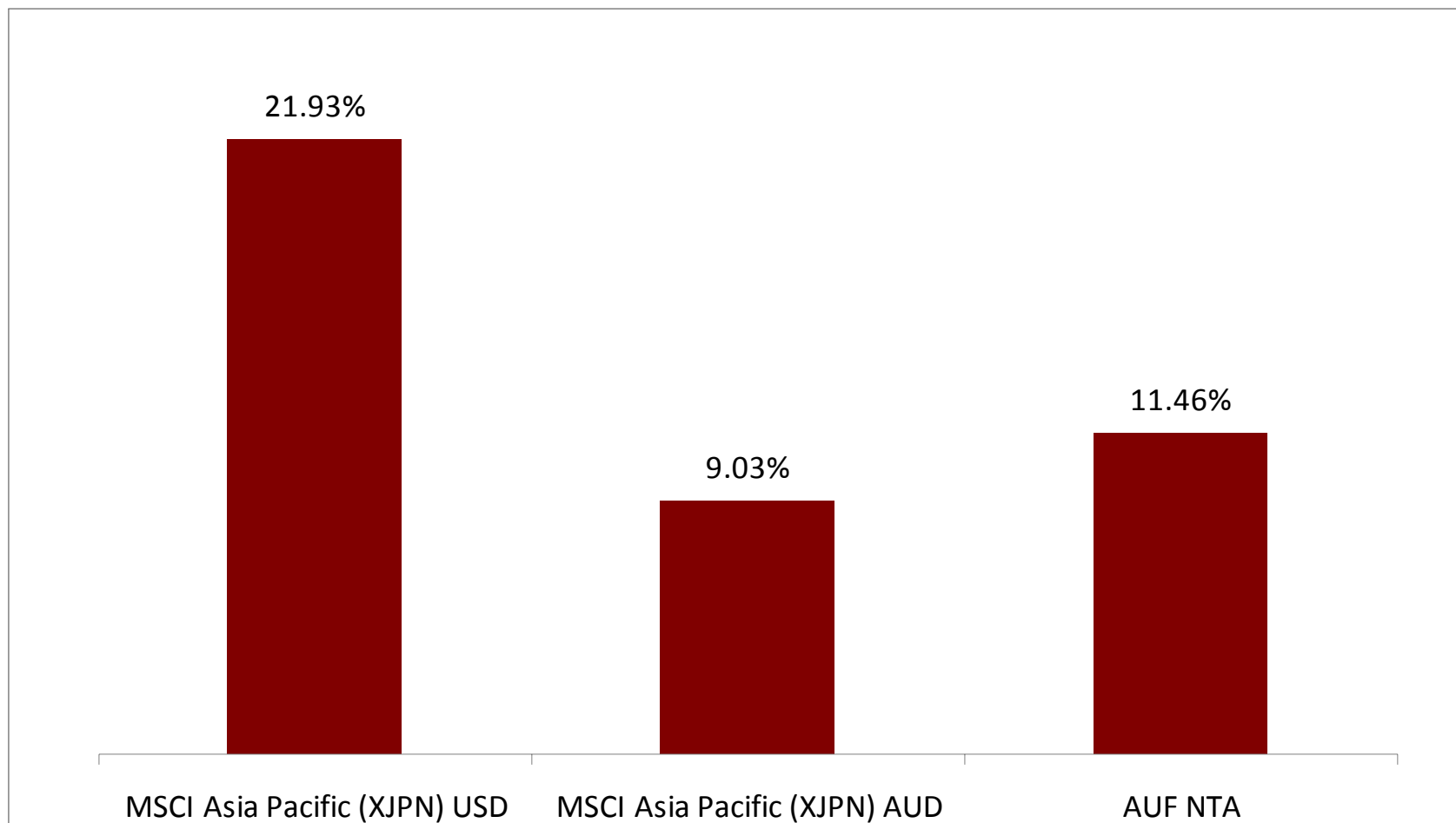


Note: Returns are in local currency
Source: Bloomberg



Relative performance

30 Sept 2008 to 30 Sep 2009

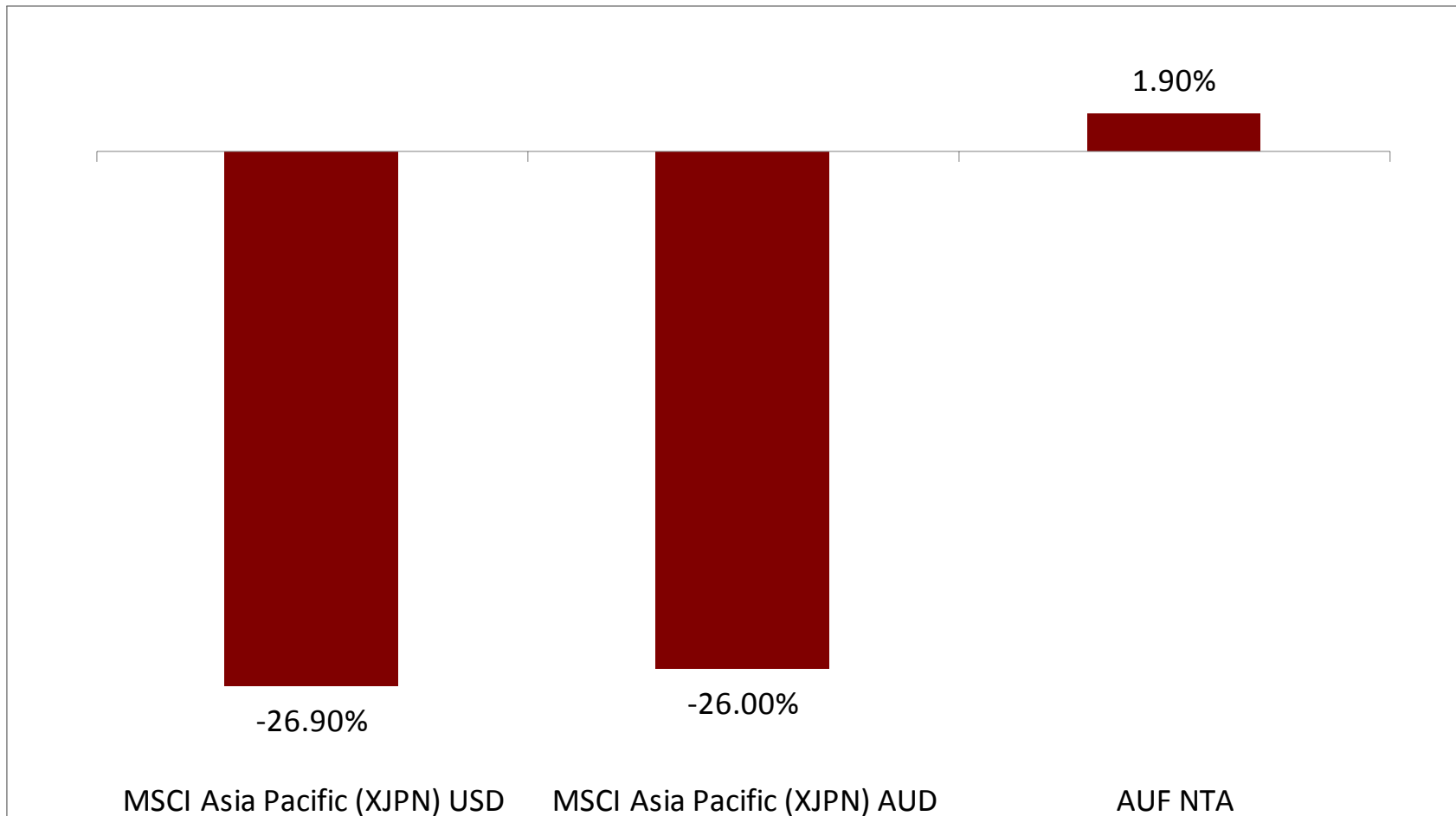


Outperformance of 2.4% over the past 12 months



Relative performance (Since IPO)

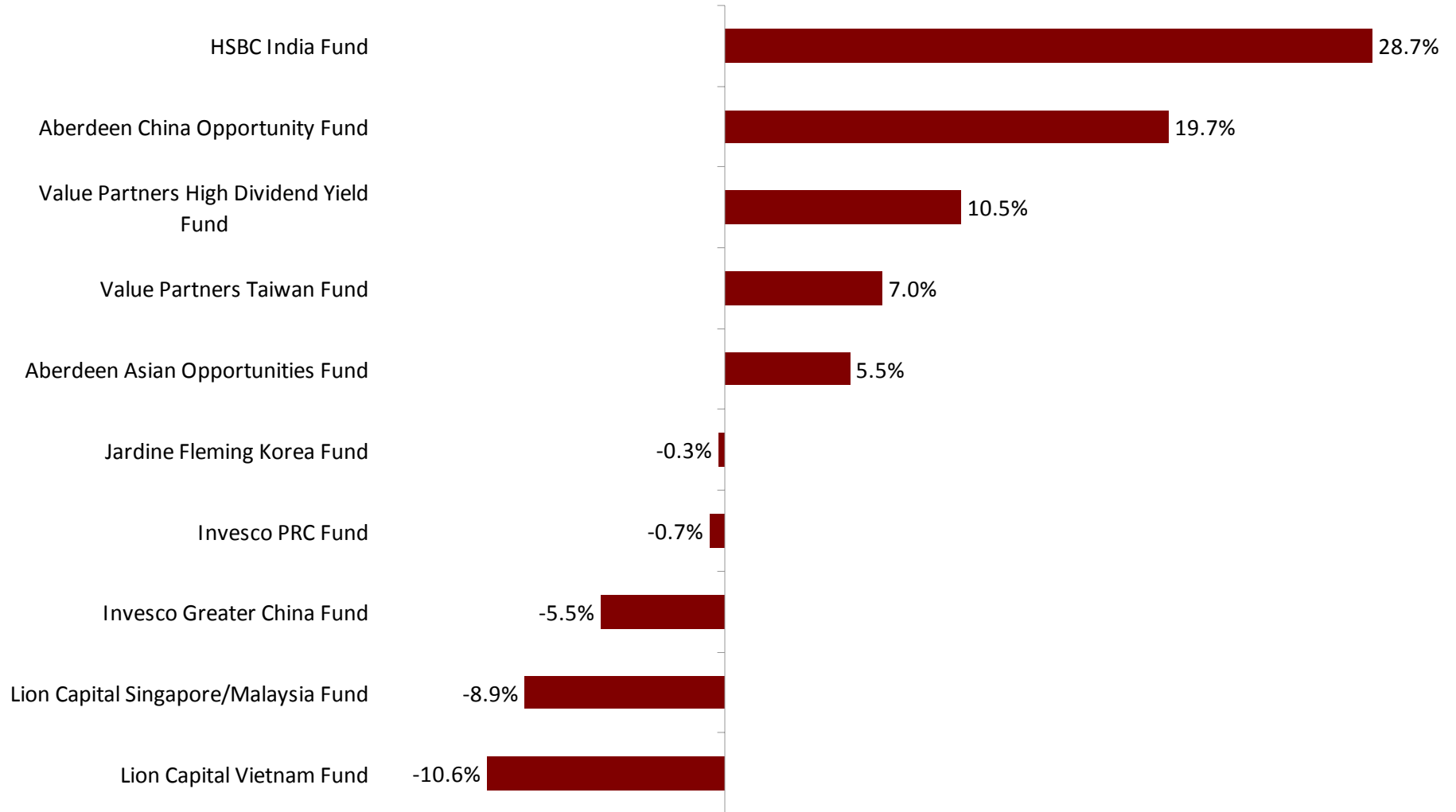
4 December 2007 to 30 Sep 2009



Outperformance of 27.9% since listing on 4 Dec 2007



Investee fund performance



Note: Performance since investment (in AUD terms)



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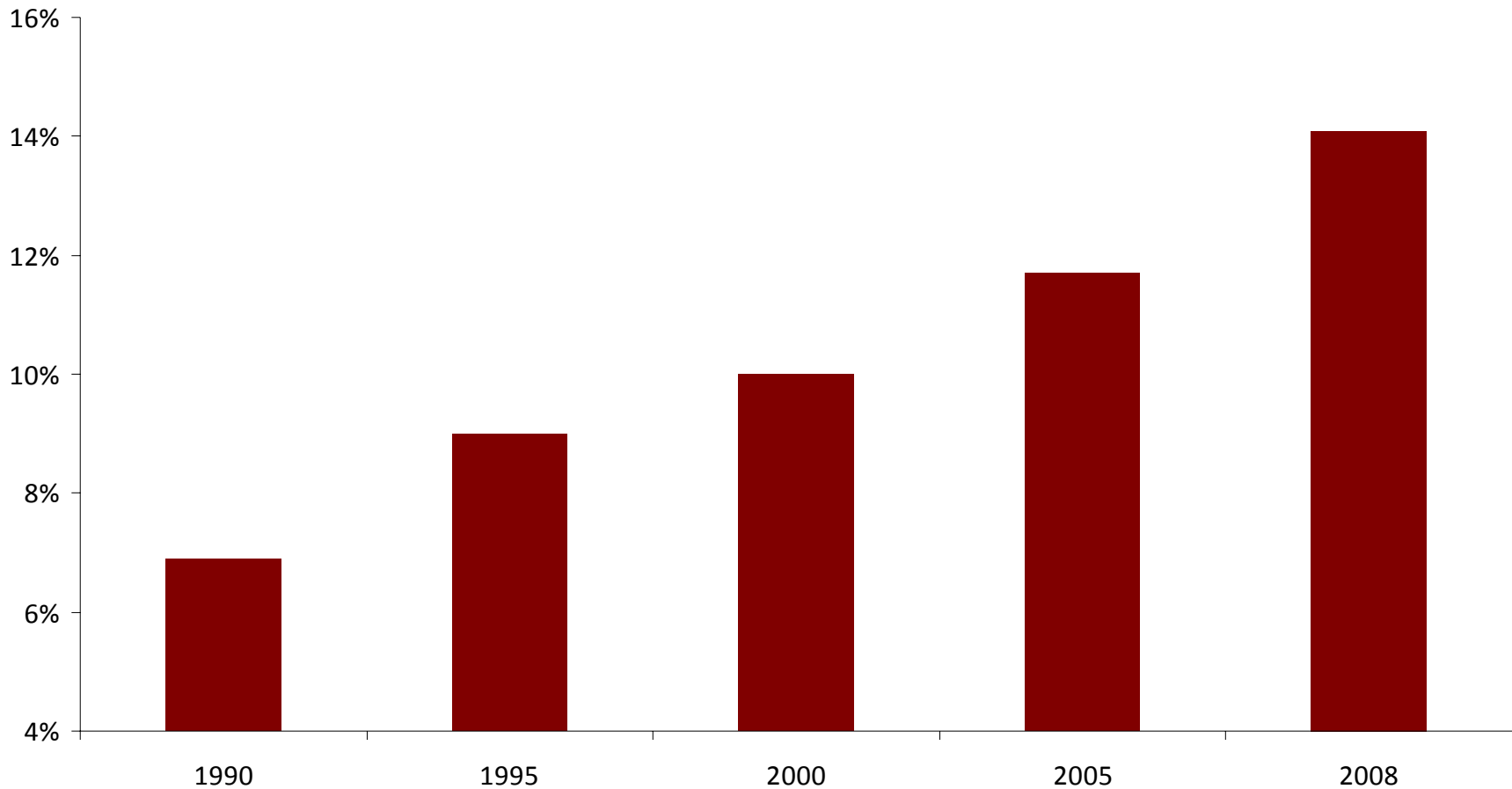
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Economic weight is shifting to Asia

Asia - Share of World GDP



Source: IMF, RBA

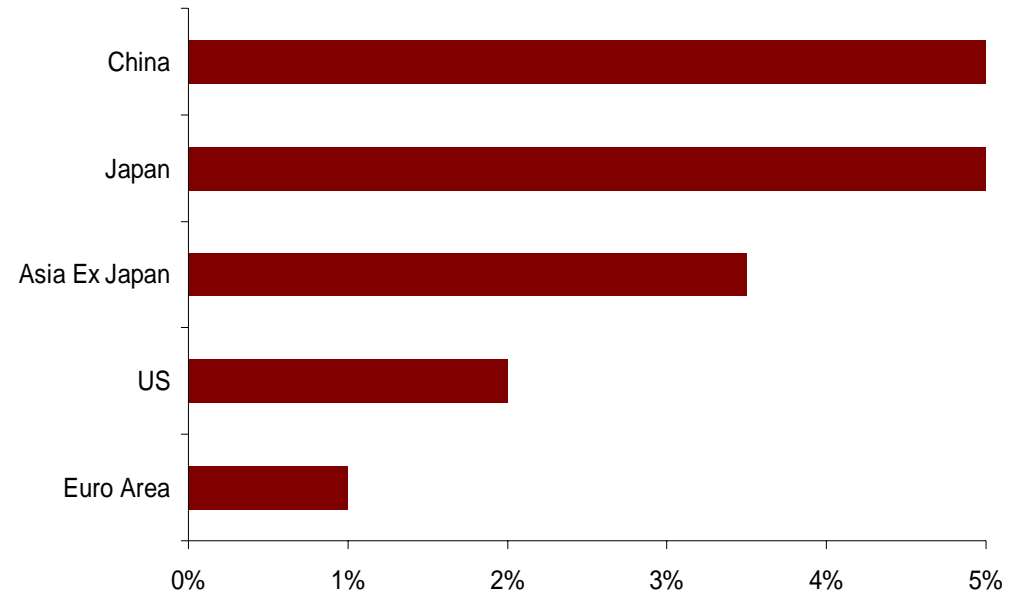
Chinese GDP has increased 6 fold since 1990



Asian governments have the firepower to spend

Fiscal Stimulus as a percentage of GDP in 2009

- Healthy budget positions meant that Asian governments engaged in stimulus spending without too much worry over debt levels
- Fiscal stimulus has been more effective in Asia as Asian households are not burdened with huge debts



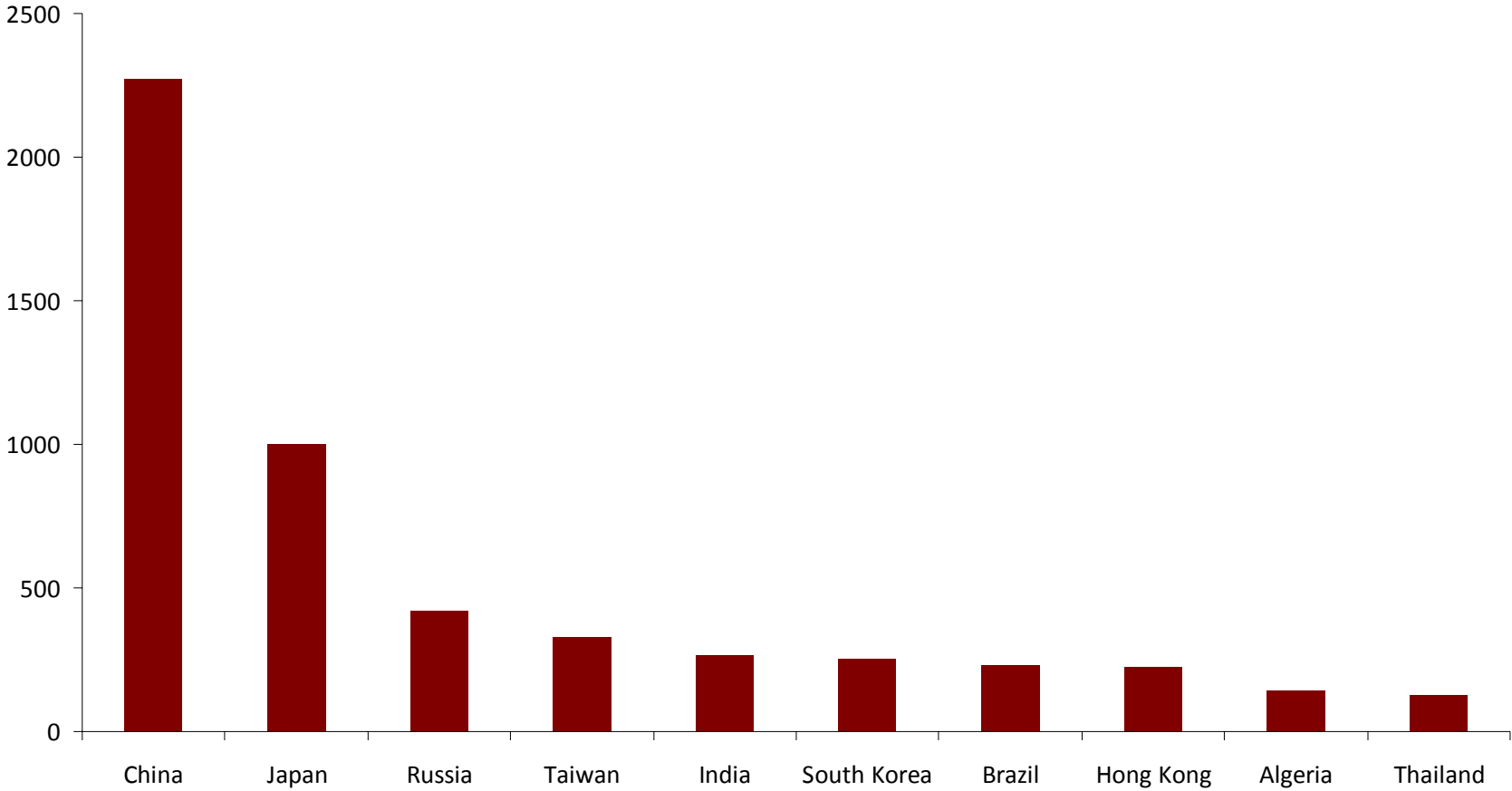
Source: The Economist

Asia has had the biggest fiscal stimulus of any region of the world



Asian central banks awash with foreign currency

Global Top 10 Central Bank foreign exchange reserves (\$ Billion)

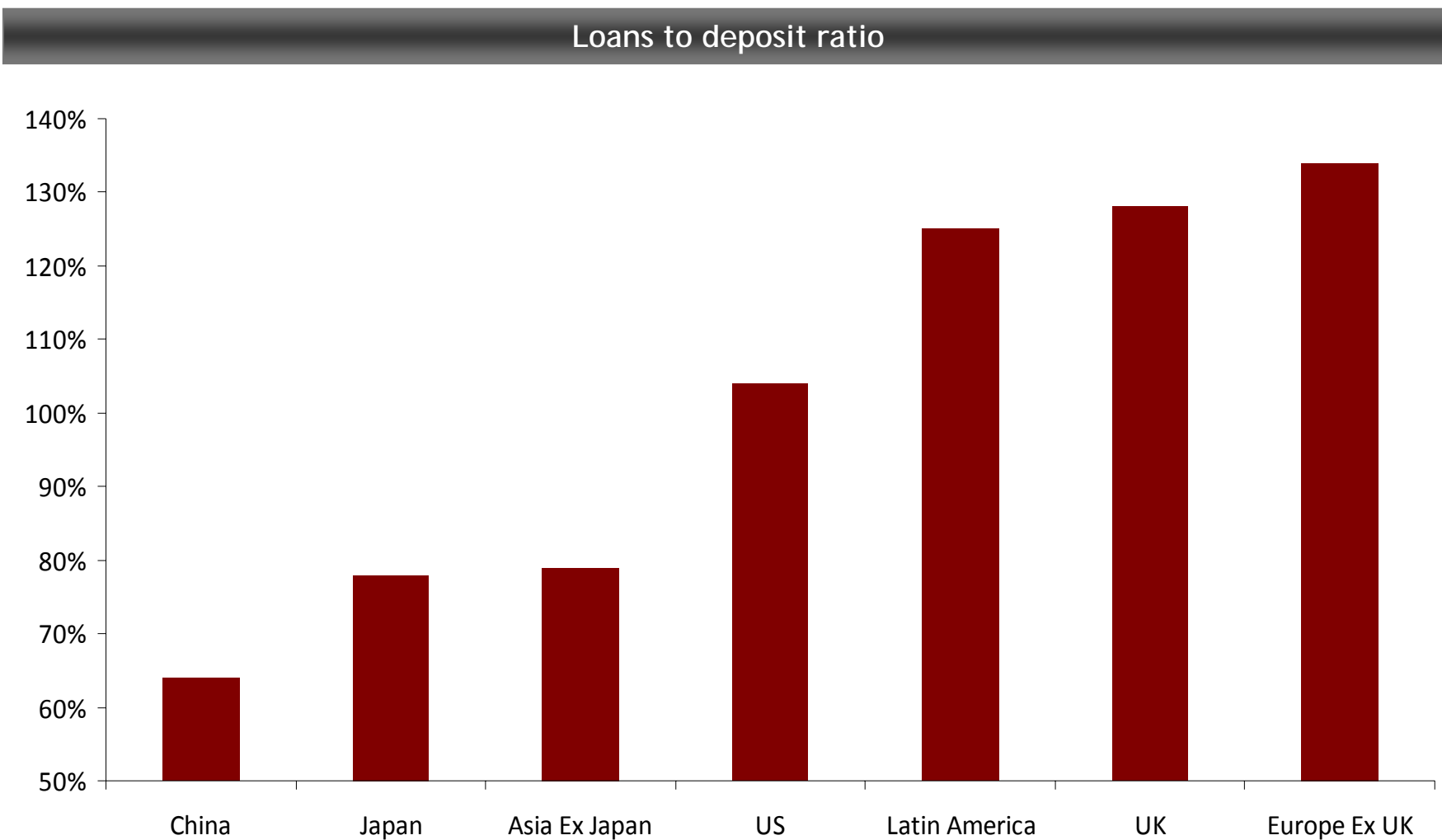


Source: Bloomberg

Seven of top ten foreign exchange reserve holders are in Asia



Balance sheets of Asian banks are much stronger



Source: Credit Suisse / Datastream

No credit crisis in Asian banks



Asian economies are in good shape

1 January 2009 to 27 July 2009

- Relative to developed economies Asian growth remains very strong - growth gap at record levels
- China, India and Indonesia among few economies in world that continued to expand
- Solid domestic consumption as well as government spending and investment kept Asian economic growth positive

	Real GDP growth (% YoY)	
	2009E	2010E
US	-2.5%	2.7%
UK	-4.2%	1.5%
Germany	-5.0%	1.5%
France	-2.2%	0.9%
Japan	-5.9%	0.8%
Asia Ex Japan	5.5%	7.8%
China	9.0%	10.0%
Indonesia	4.4%	5.5%
Korea	-0.5%	5.0%
Taiwan	-6.0%	2.2%

Source: Morgan Stanley

Signs are that global growth will turn positive again in 2010 led by Asia



Asia on track to become largest consumer

Private consumption as a percentage of total global consumption

- First phase of Asian growth was export led
- Next phase of Asian growth will be driven by domestic consumption
- As a result Asian consumer brands will grow into global brands

	2007	2008	2009	2010	2015	2020
US	30.2	29.3	28.3	27.4	23.5	20.8
Japan	8.2	7.9	7.7	7.4	6.5	5.8
Germany	5.6	5.5	5.3	5.1	4.3	3.8
China	5.3	6.4	8	9.3	16.4	21.1
UK	5	4.9	4.8	4.6	4	3.7
France	4.2	4.1	3.9	3.8	3.2	2.9
India	2	2.2	2.4	2.6	3.9	5.3
Asia Ex Japan	12.1	13.6	15.5	17.1	25.8	32.3

Source: CEIC, Datastream, Credit Suisse

Trend towards more balance and less reliance on the US consumer



Asia's export market is increasingly within Asia

Intra-Asian Trade - Exports to Asia (as a percentage of country's total exports) in 12 mth to Aug 08

- Domestic demand within Asia has reached critical mass
- Intra Asian trade has increased and replaced the West as a destination for Asian exports
- The region now generates its own momentum and is less dependant on consumption by the US

China	40.1%
Japan	51.1%
Korea	53.3%
India	34.8%
Malaysia	64.4%
Australia	66.6%
Philippines	67.5%
Singapore	73.1%
Vietnam	48.9%

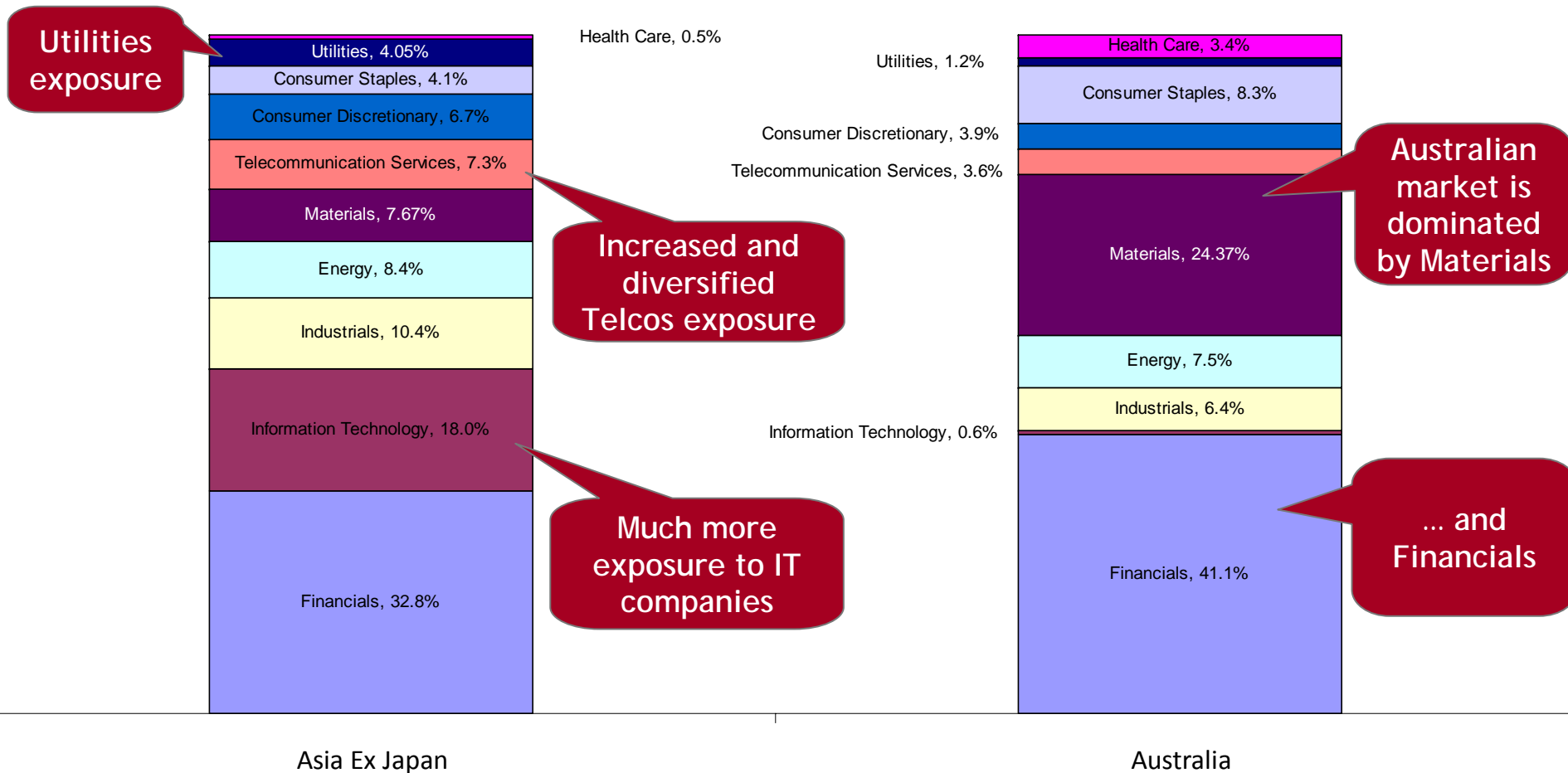
Source: IMF

Risk lowered, increasing Asian cooperation



Investing in Asia adds diversification to a shares portfolio

Sector make-up of MSCI Asia Ex Japan and ASX 200 (as a % at 30 Sep 2009)



Asia also provides investors with at least 13 more countries to invest in



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Proposed change of investment manager

- Current manager Orient wishes to resign as investment manager of Asian Masters Fund
- Investment management is proposed to be moved in house by Dixon Advisory
- The proposed new management agreement will be substantially on the same terms as the current agreement
- The performance fee will be removed and the fund will charge only a flat 1% management fee



Proposed change of investment manager

- Dixon Advisory is currently the investment manager of a number of funds:
 - Global Resource Masters Fund
 - 4 x Corporate Bond Masters Funds
- Current Investment Committee will remain in place for present time
- Committed to conducting extensive search to have at least two further independent Directors appointed
- The funds management team has hired extra resources



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Concluding remarks

- After the huge gain since March 2009 there is a possibility that the market may enter a period of consolidation
- While gain mainly due to Asian markets re-rating from being undervalued towards being more fairly valued, there remain pockets of undervaluation
- In addition, further gains are expected from long term earnings growth and fundamentals
- We remain long term bullish on Asia, particularly from a relative point of view



Ordinary Business

Max Walsh



Ordinary and Special Business

Financial Statements and Reports

Resolution 1

- *Re-election of Director - Kevin Chin*

Resolution 2

- *Re-election of Director - Alex MacLachlan*

Resolution 3

- *Remuneration Report*

Resolution 4

- *Share Issue*

Other Business

