

## Appendix 4D

### Half-Year Report For the half-year ended 31 December 2017

Name of entity

Asian Masters Fund Limited

ABN

90 127 927 584

Reporting Period

1 July 2017 to 31 December 2017

Previous Corresponding Period

1 July 2016 to 31 December 2016

Results for announcement to the market

		<b>31 December 2017</b>
<b>Total revenue</b> ("revenue from ordinary activities")	Down by 4.7% to	\$484,955
<b>Net operating profit for the year</b> ("loss from ordinary activities after tax attributable to shareholders")	Down by 35.0% to	\$(757,490)
<b>Total comprehensive income</b> ("net profit for the period attributable to shareholders")	Up by 18513.2% to	\$12,028,234

#### Commentary on results

Refer to attached Half-Year Report including Director's Report. Additional Appendix 4D disclosure requirements can be found in the notes to the Half-Year Report.

#### Dividends

	Amount per Share	Franked amount per share	Tax rate for franking credit
<b>Final 2017 Dividend (paid on 25 September 2017)</b>	1.1 cents	1.1 cents	30%
<b>Interim 2018 Dividend per share determined</b>	1.1 cents	1.1 cents	30%
<b>Interim Dividend Dates</b>			
<b>Ex-dividend date</b>			27 February 2018
<b>Record date</b>			28 February 2018
<b>Payment date</b>			30 March 2018

The Company currently operates a Dividend Reinvestment Plan (**DRP**) under which shareholders may elect to have all, or part, of their dividend reinvested in new shares. To participate in the DRP, shareholders should elect to participate before the close of the following business day after the Record Date.

#### Net tangible assets per share

31/12/2017	\$1.29
30/06/2017	\$1.21

#### Earnings per share

	<b>31 December 2017</b>	<b>31 December 2016</b>
Basic (loss) per share	(0.58) cents	(0.43) cents
Diluted (loss) per share	(0.58) cents	(0.43) cents

#### Financial Report

This report is based on the 31 December 2017 Half-Year report and has been audited by Deloitte.

# **Asian Masters Fund Limited**

**ABN 90 127 927 584**

**Half Year Financial Report - 31 December 2017**

**Asian Masters Fund Limited**

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**31 December 2017**

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**Asian Masters Fund Limited**  
**Directors' report**  
**31 December 2017**

The directors present their report together with the condensed financial report of Asian Masters Fund Limited (the **Company**) for the half-year ended 31 December 2017.

**Directors**

The names of directors who held office during or since the end of the half-year:

Mr John Holland – Independent Non-Executive Chairman  
Mr Christopher Lee – Independent Non-Executive Director  
Ms June Aitken – Independent Non-Executive Director  
Mr Alexander MacLachlan – Non-Executive Director

Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

**Results and Review of Operations**

After taking into account the net unrealised fair value movements of the investment portfolio, the total comprehensive income after tax for the half-year ended 31 December 2017 amounted to \$12,028,234 (31 December 2016: income of \$64,622). The loss for the company after providing for income tax amounted to \$757,490 (31 December 2016: \$560,963).

As at 31 December 2017, the Net Asset Value (NAV) of the Company was \$1.29 per ordinary share including unrealised portfolio gains and adjustment for tax. This compares to the NAV per ordinary share including unrealised gains and tax of \$1.21 per ordinary share as at 30 June 2017.

The Company paid a fully franked dividend of 1.1 cents per share on 25 September 2017. This amounted to \$1,443,668 of which \$341,021 was reinvested as part of the Company's Dividend Reinvestment Plan (DRP). 268,521 shares were issued under the Company's DRP at \$1.27 per share.

The Company also bought back 12,778 ordinary shares for a total consideration of \$17,118.

**Events Subsequent to Balance Date**

Since 31 December 2017, the Company bought back a further 393,019 fully paid ordinary shares for a total consideration of \$551,146.

On 21 February 2018, the Company announced a fully franked dividend payment of 1.1 cents per share which is expected to be paid to shareholders on or around 30 March 2018. The record date for determining entitlements to the dividend is 28 February 2018.

No other matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

**Asian Masters Fund Limited**  
**Directors' report**  
**31 December 2017**

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'John Holland', written over a horizontal line.

Mr John Holland  
Chairman

21 February 2018

The Board of Directors  
Asian Masters Fund Limited  
Level 15, 100 Pacific Highway  
NORTH SYDNEY NSW 2060

21 February 2018

Dear Board Members

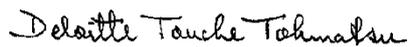
### **Asian Masters Fund Limited**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Asian Masters Fund Limited.

As lead audit partner for the review of the financial statements of Asian Masters Fund Limited for the half-year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Weng W Ching  
Partner  
Chartered Accountants

**Asian Masters Fund Limited**  
**Condensed statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2017**

	<b>Note</b>	<b>31 December 2017</b>	<b>31 December 2016</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>	3	484,955	508,999
Net foreign currency exchange (loss)/gain		(108,674)	29,908
<b>Expenses</b>			
Professional fees		(106,438)	(130,728)
Director's fees		(87,500)	(81,250)
Listing and registry fees		(81,409)	(81,673)
Management and fund administration fees	10	(991,676)	(911,944)
Due diligence expenses		(94,547)	(81,472)
Other expenses		(107,669)	(53,050)
<b>Loss before income tax benefit</b>		(1,092,958)	(801,210)
Income tax benefit	4	335,468	240,247
<b>Loss after income tax benefit for the half-year attributable to the owners of Asian Masters Fund Limited</b>		(757,490)	(560,963)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Gain on revaluation of investments		19,717,128	893,694
Tax expense on the above		(6,931,404)	(268,109)
Other comprehensive income for the half-year, net of tax		12,785,724	625,585
<b>Total comprehensive income for the half-year attributable to the owners of Asian Masters Fund Limited</b>		<u>12,028,234</u>	<u>64,622</u>
		<b>Cents</b>	<b>Cents</b>
Basic (loss) per share		(0.58)	(0.43)
Diluted (loss) per share		(0.58)	(0.43)

*The above condensed statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Asian Masters Fund Limited**  
**Condensed statement of financial position**  
**As at 31 December 2017**

	<b>31 December</b>	
	<b>Note</b>	<b>30 June 2017</b>
		<b>\$</b>
		<b>\$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents		7,593,166 2,051,410
Trade and other receivables		39,035 38,539
Prepayments		30,704 68,575
<b>Total current assets</b>		<u>7,662,905</u> <u>2,158,524</u>
<b>Non-current assets</b>		
Financial assets	6	183,279,254 171,234,371
<b>Total non-current assets</b>		<u>183,279,254</u> <u>171,234,371</u>
<b>Total assets</b>		<u>190,942,159</u> <u>173,392,895</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Income tax		5,868,355 3,133,062
Other		295,678 247,594
<b>Total current liabilities</b>		<u>6,164,033</u> <u>3,380,656</u>
<b>Non-current liabilities</b>		
Deferred tax	7	14,958,332 11,098,658
<b>Total non-current liabilities</b>		<u>14,958,332</u> <u>11,098,658</u>
<b>Total liabilities</b>		<u>21,122,365</u> <u>14,479,314</u>
<b>Net assets</b>		<u>169,819,794</u> <u>158,913,581</u>
<b>Equity</b>		
Issued capital	8	126,485,361 126,163,714
Reserves		77,709,269 64,923,545
Accumulated losses		(34,374,836) (32,173,678)
<b>Total equity</b>		<u>169,819,794</u> <u>158,913,581</u>

*The above condensed statement of financial position should be read in conjunction with the accompanying notes*

**Asian Masters Fund Limited**  
**Condensed statement of changes in equity**  
**For the half-year ended 31 December 2017**

	Issued capital \$	Asset revaluation reserve \$	Capital profit reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2016	113,652,588	22,021,691	26,790,339	(21,422,141)	141,042,477
Loss after income tax benefit for the half-year	-	-	-	(560,963)	(560,963)
Other comprehensive income for the half-year, net of tax	-	625,585	-	-	625,585
Total comprehensive income/(loss) for the half-year	-	625,585	-	(560,963)	64,622
Transfer to Capital Profits Reserve of cumulative gain realised gain on disposal of investments, net of tax	-	(4,177,681)	4,177,681	-	-
<i>Transactions with owners in their capacity as owners:</i>					
Shares issued	13,010,290	-	-	-	13,010,290
Share buybacks	(1,043,546)	-	-	-	(1,043,546)
Issue and buyback costs (net of tax)	(291,075)	-	-	-	(291,075)
Dividends paid (note 5)	-	-	-	(1,443,171)	(1,443,171)
Balance at 31 December 2016	<u>125,328,257</u>	<u>18,469,595</u>	<u>30,968,020</u>	<u>(23,426,275)</u>	<u>151,339,597</u>

	Issued capital \$	Asset revaluation reserve \$	Capital profit reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2017	126,163,714	29,471,660	35,451,885	(32,173,678)	158,913,581
Loss after income tax benefit for the half-year	-	-	-	(757,490)	(757,490)
Other comprehensive income for the half-year, net of tax	-	12,785,724	-	-	12,785,724
Total comprehensive income/(loss) for the half-year	-	12,785,724	-	(757,490)	12,028,234
Transfer to Capital Profits Reserve of cumulative gain realised gain on disposal of investments, net of tax	-	(5,628,317)	5,628,317	-	-
<i>Transactions with owners in their capacity as owners:</i>					
Shares issued (note 8)	341,021	-	-	-	341,021
Share buybacks (note 8)	(17,118)	-	-	-	(17,118)
Issue and buyback costs (net of tax) (note 8)	(2,256)	-	-	-	(2,256)
Dividends paid (note 5)	-	-	-	(1,443,668)	(1,443,668)
Balance at 31 December 2017	<u>126,485,361</u>	<u>36,629,067</u>	<u>41,080,202</u>	<u>(34,374,836)</u>	<u>169,819,794</u>

*The above condensed statement of changes in equity should be read in conjunction with the accompanying notes*

**Asian Masters Fund Limited**  
**Condensed statement of cash flows**  
**For the half-year ended 31 December 2017**

	<b>Note</b>	<b>31 December 2017 \$</b>	<b>31 December 2016 \$</b>
<b>Cash flows from operating activities</b>			
Payments to suppliers		(1,462,738)	(1,315,071)
Interest received		14,265	30,876
Realised/unrealised currency gain/(loss)		44,230	(132,274)
Taxes refunded/(paid)		77,654	(7,800)
		<u>(1,326,589)</u>	<u>(1,424,269)</u>
<b>Net cash used in operating activities</b>			
<b>Cash flows from investing activities</b>			
Payments for purchase of investments		(9,192,475)	(23,300,799)
Proceeds from disposal of investments		17,298,552	14,010,564
		<u>8,106,077</u>	<u>(9,290,235)</u>
<b>Net cash from/(used in) investing activities</b>			
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	8	-	12,681,492
Payments for share buy-backs		(17,118)	(1,043,546)
Payment of issue and buyback costs		(3,225)	(408,864)
Dividends paid		(1,102,647)	(1,114,371)
		<u>(1,122,990)</u>	<u>10,114,711</u>
<b>Net cash from/(used in) financing activities</b>			
Net increase/(decrease) in cash and cash equivalents		5,656,498	(599,793)
Cash and cash equivalents at the beginning of the financial half-year		2,051,410	2,909,577
Effects of exchange rate changes on cash and cash equivalents		(114,742)	105,614
		<u>7,593,166</u>	<u>2,415,398</u>
<b>Cash and cash equivalents at the end of the financial half-year</b>			

*The above condensed statement of cash flows should be read in conjunction with the accompanying notes*

**Asian Masters Fund Limited**  
**Notes to the condensed financial statements**  
**31 December 2017**

**1. Statement of Significant Accounting**

*Basis of preparation*

These general purpose condensed financial statements for the half-year reporting period ended 31 December 2017 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures that the financial statements and notes also comply with International Financial Reporting Standard IAS 34: Interim Financial Reporting.

This half-year financial report is intended to provide users with an update on the latest annual financial statements of Asian Masters Fund Limited (the Company). It is therefore recommended that this half-year financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2017, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this half-year financial report as were applied in the most recent annual financial statements.

The condensed financial statements have been prepared on an accrual basis and is based on historical costs, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise noted.

As at the period end, the Company had total current assets of \$7,662,905 and equity investments of \$183,279,254 against total current liabilities of \$6,164,033.

These half-year financial statements were approved by the Board of Directors on 21 February 2018.

*New or revised Standards and Interpretations that are first effective in the current reporting period*

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half year.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

The following new and revised Standards and Interpretations have been adopted in the current period and, where applicable, only affect disclosure and presentation in this financial report.

- AASB 2015-1 'Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'

- AASB 2015-2 'Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101'

**2. Segment reporting**

The Company operates in Australia and has one business segment, that being investing in managed funds that have a mandate to invest in Asian financial markets. All financial balances shown in the Condensed Statement of Profit or Loss and Other Comprehensive Income and the Condensed Statement of Financial Position relate to this single operating segment.

**Asian Masters Fund Limited**  
**Notes to the condensed financial statements**  
**31 December 2017**

**3. Revenue**

	<b>31 December 2017</b>	<b>31 December 2016</b>
	\$	\$
Dividend revenue	471,998	480,798
Interest revenue	12,957	28,201
Revenue	<u>484,955</u>	<u>508,999</u>

**4. Income tax benefit**

	<b>31 December 2017</b>	<b>31 December 2016</b>
	\$	\$
The components of tax benefit comprise:		
Deferred tax	<u>335,468</u>	<u>240,247</u>

**5. Equity - dividends**

Dividends paid during the financial half-year were as follows:

	<b>31 December 2017</b>	<b>31 December 2016</b>
	\$	\$
Fully franked dividend of \$0.011 per share paid on 22 September 2016	-	1,443,171
Fully franked dividend of \$0.011 per share paid on 25 September 2017	1,443,668	-
	<u>1,443,668</u>	<u>1,443,171</u>

**6. Non-current assets - Financial assets**

	<b>31 December 2017</b>	<b>30 June 2017</b>
	\$	\$
Equity investment at fair value	<u>183,279,254</u>	<u>171,234,371</u>

**Asian Masters Fund Limited**  
**Notes to the condensed financial statements**  
**31 December 2017**

**7. Non-current liabilities - deferred tax**

	<b>31 December</b>	<b>30 June 2017</b>
	<b>2017</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<i>Deferred tax liability comprises temporary differences attributable to:</i>		
Deferred tax liabilities comprise:		
Unrealised fair value adjustments	15,047,393	11,178,906
Unrealised foreign currency loss	3,264	34,546
Provisions	(4,410)	(8,412)
Transaction costs on equity issue and buybacks	(88,379)	(107,168)
Interest receivable	464	786
	<u>14,958,332</u>	<u>11,098,658</u>
Deferred tax	<u>14,958,332</u>	<u>11,098,658</u>

**8. Equity - issued capital**

	<b>31 December</b>	<b>30 June 2017</b>	<b>31 December</b>	<b>30 June 2017</b>
	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2017</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>131,498,166</u>	<u>131,242,423</u>	<u>126,485,361</u>	<u>126,163,714</u>

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>\$</b>
Balance	1 July 2017	131,242,423	126,163,714
(i) 268,521 fully paid ordinary shares of \$1.27	25 September 2017	268,521	341,021
Buyback of shares		(12,778)	(17,118)
Issue and buyback costs		-	(2,256)
Balance	31 December 2017	<u>131,498,166</u>	<u>126,485,361</u>

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>\$</b>
Balance	1 July 2016	121,442,386	113,652,588
(ii) 9,754,994 fully paid ordinary shares of \$1.30	3 August 2016	9,754,994	12,681,492
(iii) 256,874 fully paid ordinary shares of \$1.28	22 September 2016	256,874	328,799
(iv) 270,656 fully paid ordinary shares of \$1.21	31 March 2017	270,656	327,494
(v) 1,193,513 fully paid ordinary shares of \$1.26	20 June 2017	1,193,513	1,503,826
Share buybacks		(1,676,000)	(2,039,409)
Issue and buyback costs		-	(417,614)
Tax effect on the above		-	126,538
Balance	30 June 2017	<u>131,242,423</u>	<u>126,163,714</u>

- (i) In respect of the dividend paid on 25 September 2017, 268,521 ordinary shares were issued at \$1.27 per share.  
(ii) In respect of the capital raised on 3 August 2016, 9,754,994 ordinary shares were issued at \$1.30 per share.  
(iii) In respect of the dividend paid on 22 September 2016, 256,874 ordinary shares were issued at \$1.28 per share.  
(iv) In respect of the dividend paid on 31 March 2017, 270,656 ordinary shares were issued at \$1.21 per share.  
(v) In respect of the dividend paid on 20 June 2017, 1,193,513 ordinary shares were issued at \$1.26 per share

**Asian Masters Fund Limited**  
**Notes to the condensed financial statements**  
**31 December 2017**

**9. Fair value measurement**

*Fair value hierarchy*

Net Fair Values

The net fair values of:

- Term receivables and fixed interest securities are determined by discounting the cash flows, at the market interest rates of similar securities, to their present value.

- Unlisted investments have been valued at the redemption price at balance date. For unlisted investments where there is no organised financial market, the net fair value has been based on a reasonable estimation of the underlying net assets of the investments.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date are disclosed in the statement of financial position and in the notes to the financial statements.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in valuing the measurements:

(a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

(b) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (as price) or indirectly (derived from prices)

(c) Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table gives information about how the fair values of these financial assets are determined (in particular the valuation techniques and inputs used).

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>31 December 2017</b>				
<i>Assets</i>				
Equity investments - unlisted	-	183,279,254	-	183,279,254
Total assets	-	183,279,254	-	183,279,254
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>30 June 2017</b>				
<i>Assets</i>				
Equity investments - unlisted	-	171,234,371	-	171,234,371
Total assets	-	171,234,371	-	171,234,371

Valuation techniques and key input for fair value measurements categorised within level 2:

The valuation of unlisted investments included in level 2 is based on the redemption price at balance date, which generally reflects the underlying net asset value per unit held.

**10. Related party transactions**

*Directors*

The names of directors who held office during or since the end of the half-year:

Mr John Holland - Independent Non-Executive Chairman  
 Mr Christopher Lee - Independent Non-Executive Director  
 Ms June Aitken - Independent Non-Executive Director  
 Mr Alexander MacLachlan - Non-Executive Director

Directors have been in the office since the start of the half-year to the date of this report unless otherwise stated.

**Asian Masters Fund Limited**  
**Notes to the condensed financial statements**  
**31 December 2017**

**10. Related party transactions (continued)**

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated and are as follows:

Mr Alexander MacLachlan is a Director of the Company and a Director of the Manager, Walsh & Company Asset Management Pty Limited.

a) Management Fee

The Manager is entitled to receive a management fee of 0.08334% of the pre tax value of the Portfolio at the close of the first Business Day of each month (equating to an annualised management fee of 1%).

Management fees paid or payable for the half-year ended 31 December 2017 were \$902,441 (31 December 2016: \$825,787), exclusive of GST.

b) Brokerage

Dixon Advisory & Superannuation Services Limited, as broker acting on behalf of the Company, receives brokerage of 0.25% on all transactions undertaken as part of the Company's buy-back program. During the half-year, total brokerage paid or payable was \$43 (31 December 2016: \$2,609), exclusive of GST.

c) Fund Administration Fee

Australian Fund Accounting Services Pty Limited, a wholly-owned subsidiary of Evans Dixon Pty Limited, the parent of the Manager, provides fund administration services under an agreement with the Manager consistent with the terms of the existing management agreement with the Company. These services include net asset valuation, management accounting, statutory reporting, capital management and taxation. Total fund administration fees paid or payable for the half-year was \$60,000 (31 December 2016: \$60,000), exclusive of GST.

**11. Contingent liabilities**

The directors are not aware of any potential liabilities or claims against the Company as at the balance date.

**12. Events after the reporting period**

Since 31 December 2017, the Company bought back a further 393,019 fully paid ordinary shares for a total consideration of \$551,146.

On 21 February 2018, the Company announced a fully franked dividend payment of 1.1 cents per share which is expected to be paid to shareholders on or around 30 March 2018. The record date for determining entitlements to the dividend is 28 February 2018.

No other matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**Asian Masters Fund Limited**  
**Directors' declaration**  
**31 December 2017**

The directors of the Company declare that:

- in the director's opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- in the director's opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Mr John Holland  
Chairman

21 February 2018

## **Independent Auditor's Review Report to the members of Asian Masters Fund Limited**

We have reviewed the accompanying half-year financial report of Asian Masters Fund Limited, which comprises the condensed statement of financial position as at 31 December 2017, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 5 to 14.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Asian Masters Fund Limited's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Asian Masters Fund Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Asian Masters Fund Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

## *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Asian Masters Fund Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



Weng W Ching

Partner

Chartered Accountants

Sydney, 21 February 2018