

Fund Objective

KIS Capital Partners Pty Ltd [KIS Capital] is an Australian based hedge fund investment manager with an Asia ex Japan trading focus. The KIS Asia Long Short Fund Australian Dollar Denominated [A\$] Australian Unit Trust and the KIS Asia Long Short Cayman Fund and Cayman Master Fund are trading focused funds whose objectives are to generate absolute returns with low volatility and correlation to other assets. Trade selection and portfolio management are based on three distinct principals of: Liquidity, Transparency and Risk Management. KIS Capital looks to build a portfolio of 'winning' trade ideas and hedge unwanted market risk.

Performance for KIS Asia Long Short Fund

Performance data for the Master Series of the KIS Asia Long Short Fund Australian Dollar [A\$] denominated Australian Unit Trust [AUT].

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2014	1.17%	1.76%											2.95%
2013	-0.94%	2.20%	0.54%	0.83%	3.00%	0.36%	1.89%	1.03%	1.18%	1.44%	1.82%	-0.06%	14.06%
2012	2.33%	2.89%	0.73%	-1.50%	1.35%	-1.00%	0.24%	3.70%	-0.19%	1.39%	-0.13%	1.17%	11.41%
2011	1.35%	0.81%	-2.20%	1.14%	3.32%	-2.69%	2.70%	3.88%	1.02%	2.48%	0.36%	-0.02%	12.60%
2010	2.15%	2.46%	2.79%	3.05%	4.09%	-0.76%	-0.95%	1.23%	1.63%	1.42%	3.24%	2.84%	25.66%
2009										4.45%	4.82%	1.75%	11.40%

Returns shown are pre-tax and net of fees for the Master Series (inception, October 2009). Returns for other series may differ. Cumulative returns are shown assuming distributions are reinvested. Investors should receive a monthly NAV statement directly from the fund administrator. Please contact SSG.AUS@TMF-Group.com if you have not received your NAV statement. Returns are independently calculated by the fund administrator on an unaudited basis. Results to June 2013 have been audited by Ernst & Young Partnership.

Fund Performance Profile : KIS Asia Long Short Fund A\$ AUT

MONTHLY		FUND INFORMATION	
Performance:	1.76%	Fund Denomination:	A\$
ROLLING 12 MONTHS		Investor Type:	Sophisticated/Wholesale
Performance:	15.99%	Management Fee:	1.5%
SINCE INCEPTION		Performance Fee:	20%
Annualised Performance:	17.81%	<i>Fees are shown exclusive of GST</i>	
SINCE INCEPTION, OCTOBER 2009		Performance Hurdle:	RBA Cash Rate
Cumulative Performance of A\$1000 invested:	A\$2062	Subscription:	Monthly
		Redemption:	Monthly
		Inception:	Oct 2009
		Domicile:	Australia
		Prime Broker:	Deutsche Bank
		Auditor:	Ernst & Young
		Legal Counsel:	Minter Ellison
		Risk Management:	Imagine
		Fund Administrator:	TMF FundServices (Australia)
		Trustee:	KIS Capital
		Investment Manager:	KIS Capital

Performance for KIS Asia Long Short Cayman Fund US\$ Series

Performance data for KIS Asia Long Short Cayman Fund United States Dollar [US\$] denominated Series [Cayman Fund].

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2014	0.66%	1.56%											2.23%
2013	-1.29%	2.13%	0.18%	0.55%	2.33%	0.14%	1.59%	0.77%	1.03%	1.30%	1.49%	-0.31%	10.31%
2012							-0.21%	2.59%	-0.60%	1.04%	-0.57%	0.95%	3.20%

Returns shown are net of fees for the US\$ class (inception, July 2012) foundation series. Returns for other series may differ.

Investors should receive a monthly NAV statement directly from the fund administrator. Please contact SSG.AUS@TMF-Group.com if you have not received your NAV statement. Returns are independently calculated by the fund administrator on an unaudited basis. Results to December 2012 have been audited by Ernst & Young Partnership.

Fund Performance Profile: KIS Asia Long Short Cayman Fund US\$ Series

MONTHLY Performance:	1.56%	FUND INFORMATION Share Class Denomination:	US\$
ROLLING 12 MONTH Performance:	11.86%	Investor Type:	Eligible Investor
SINCE INCEPTION Annualised Performance:	9.53%	Management Fee:	1.5%
SINCE INCEPTION, JULY 2012 Cumulative Performance of US\$1000 invested:	US\$1164	<i>The management fee increases to 2.0% from Jan 2014 for non-Foundation Series Investors The Management fee remains 1.5% for Foundation series Investors, the Foundation series remains open but is subject to closure without notice.</i>	
		Performance Fee:	20%
		Performance Hurdle:	None
		Subscription:	Monthly
		Redemption:	Monthly
		Inception:	July 2012
		Domicile:	Cayman
		Prime Broker:	Deutsche Bank
		Auditor:	Ernst & Young
		Legal Counsel: Henry Davis York, Shipman and Goodwin LLP & Walkers	
		Risk Management:	Imagine
		Fund Administrator:	TMF FundServices (Australia)
		Independent Board:	Refer to Private Placement Memorandum for details, Vice Presidents of Intertrust Corporate Services (Cayman) Limited
		Investment Manager:	KIS Capital

Strategies used this month

Equity Long/Short – Australian, Canadian, Hong Kong, Indonesian, New Zealand and Singaporean Equities. Australian, Hong Kong and US Index Futures. Australian and Hong Kong Equity Options.

Portfolio Hedge – Australian Equity Warrants. Australian Index Options. OTC Options on US\$/SG\$ FX.

Convertible Bonds – Australian Listed Hybrid Securities. Convertible Bonds on HK and Singaporean Issuers.

Special Situations – Australian, Canadian, Hong Kong and Singaporean equities.

Most exposures are now booked via portfolio total return swaps and CFDs between the Funds and the Prime Broker. This improves operational efficiency and facilitates cost saving. References above refer to the underlying exposure of the total return swaps and CFDs.

Monthly Summary

Global equity markets recovered in February with the ASX posting a 4.1% gain (but with only a 5.9% gain in total over the past twelve months) and the MSCI Asia ex Japan Index rallying 4.2% (which has fallen 4% in the past twelve months).

Although bond and credit markets do not appear to offer good value in the Asia Pacific region, there has not been the same flight to equities witnessed in Europe and the US.

This is probably a result of pessimism on the Chinese economy with concerns about financing/default risks in the wealth management products and local corporate bond markets. These fears are driving companies' valuations lower. If these concerns develop into significant problems we do not expect the impact to be limited to China or just the Asia Pacific region. As a result, we would expect there to be a catch up between China and the Asia Pacific region and Europe US; either by Europe and the US.

On a sector basis Internet companies, especially with a social media focus, continue to be a standout performer across the world. This is a momentum story as investors chase growth companies.

We are keeping a close eye on the developments in the Ukraine. Although we do not expect Russia to act in a too heavy handed manner, we will continue to carefully monitor the downside risks of the fund.

Long Short

This portfolio contributed 111bp.

The largest contributor to the P&L this month was Stockland (SGP.AX) which contributed 23bp of the returns.

We had taken a bullish view on SGP.AX based on its exposure to the improving property market in Australia. SGP.AX has a significant exposure to property lots, some of which had been carried for a significant period and in February, the market began to price in the appreciation of these lots and improvement in development margins.

We also benefited from a contrarian bullish view on Indonesia based on foreign direct investment inflows. We took small positions across five names and structured the trade to benefit from both the thematic of direct investment and also the appreciation of the Indonesian Rupiah. Across the idea this generated 19bp.

No other single underlying created an impact of more than 20bp to the returns and the success of this month was once again a feature of our success ratio and win ratio.

In February 54% of our long and short ideas, i.e. excluding hedges, were winning. In addition to this, the average profit we made on a winning idea was 1.5 times the size of our average loss.

The combination of these two factors lead to our total profit from winning ideas to be 1.7 times the size of our total profit from losing ideas.

Portfolio Hedge, Convertible Bonds

These portfolios did not have a significant impact on returns this month.

Special Situations

This portfolio contributed 72bp this month.

28bp of this performance came from the completion of the delisting offer of Sound Global (SOGL.SI/0967 HK). SOGL.SI had offered its Singapore shareholders to repurchase the stock at a price of SGD 0.70 or to exchange their holdings for the HK listing. SOGL.SI had been trading at a substantial discount to its HK listed peers, possibly as result of the corporate governance issues that have dogged Chinese companies listed in Singapore. We were bullish of SOGL.SI's industry, with pollution issues now becoming a significant cause of social unrest in China. SOGL.SI rallied dramatically post the Singapore delisting closing a large proportion of the valuation discount that had existed. We exited the position by selling the holding in Hong Kong.

The balance of the contribution was made by participation in secondary placements across a variety of names.

Currency Class FX Hedge - KIS Asia Long Short Cayman Fund US\$ Series Only

Investments are received in US\$ and spot exchanged to A\$. This FX spot trade is then one month forward FX hedged back to US\$. The cost of this FX hedge is a function of the differential of interest rates between US\$ and A\$. The impact of interest rate differentials reduced the performance of the US\$ series by 25bp.

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