

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
2015	-0.35%	0.09%	2.59%	4.04%	1.14%	-1.48%	0.26%						6.35%
2014	1.17%	1.76%	0.70%	-0.77%	0.21%	0.95%	0.91%	-0.10%	-0.08%	-1.10%	0.79%	0.26%	4.76%
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 2014 have been audited by Ernst & Young Partnership.

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

MONTHLY		FUND INFORMATION	
Performance:	0.26%	Fund Denomination:	A\$
ROLLING 12 MONTHS		Investor Type:	Sophisticated/Wholesale
Performance:	6.10%	Management Fee:	1.5%
SINCE INCEPTION		Performance Fee:	20%
Annualised Performance:	14.75%	<i>Fees are shown exclusive of GST</i>	
SINCE INCEPTION, OCTOBER 2009		Performance Hurdle:	RBA Cash Rate
Cumulative Performance of A\$1000 invested:	A\$2232	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
2015	-0.68%	-0.11%	2.27%	4.44%	0.66%	-1.64%	-0.09%						4.82%
2014	0.66%	1.56%	0.62%	-1.02%	0.03%	0.67%	0.57%	-0.36%	-0.45%	-1.31	0.45%	-0.12%	1.27%
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 2014 have been audited by Ernst & Young Partnership.

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

MONTHLY Performance:	-0.09%	FUND INFORMATION Share Class Denomination:	US\$
ROLLING 12 MONTH Performance:	2.95%	Investor Type:	Eligible Investor
SINCE INCEPTION Annualised Performance:	6.33%	Management Fee:	1.5%
SINCE INCEPTION, JULY 2012 Cumulative Performance of US\$1000 invested:	US\$1208	<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, Chinese, Hong Kong, New Zealand, Singaporean, Taiwanese and US Equities. Australian Listed Hybrid Securities. Australian and Hong Kong Equity Options. Indonesian ETFs. Australian, Chinese, Hong Kong and US Index Futures. Australian Index Options.

Portfolio Hedge – Australian and Canadian Equity Warrants. Australian Index Options. JPYUSD FX option.

Special Situations – Australian Listed Hybrid Securities. Australian, Canadian, Chinese, Hong Kong, New Zealand and UK 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

We witnessed extraordinary measures by Chinese regulators in the month of July as the unwinding of retail leverage positions became disorderly. Whilst we are accepting of many of the measures (certainly letting half the listed companies suspend trading is not acceptable), we will need a little time to see whether the regulators and policy makers can reinforce their credibility with other actions.

Retail investors have a lot of faith in the Party and a deviation from that could have profound effects on the stock market.

We are 'glass half full' on the outcome of the recent China stock rout.

Regulators have used it to stop and crack down on 'shadow' margin lending. That is, margin lending outside of the regulators touch which offers significantly more leverage than traditional sources.

More importantly, policy makers have been forced to speed up long awaited reform measures.

Of note, as of August, we are starting to see State Owned Enterprise reform taking place and currency reform, which though not welcomed by the markets, is an important further step in the liberalization of the Chinese economy.

In Australia we are seeing significant divergence of companies both at a sector level and within those sectors.

Into August this has only increased due to reporting season where it has been hard to become too bullish on corporate Australia.

Growth has been elusive and shorting opportunities have increased.

On top of that, equity issuance is increasing which adds more volatility to the general market.

Long Short

This portfolio contributed 21bp of this month's returns.

We suffered from volatility in Hong Kong (HK) and China and this was especially noticeable in HK listed mid cap stocks.

During more stable times this is an excellent source of alpha but with the inability of investors to liquidate their China holdings, this sector suffered as there is a crossover of investor base. We were fast to cut positions limiting the pain to 60bp in HK.

We were able to produce positive returns in Australia, this was heavily dominated by long positions in small cap stocks (such as Catapult Group International Ltd, CAT.AX and Freelancer, FLN.AX), where we have spent significant time analyzing and understanding these companies. Given the volatility experienced in the markets and the risk that other investors in these names may not be 'strong hands in a weak market', we have been reducing some of these exposures.

Portfolio Hedge

This portfolio did not make a significant contribution this month.

Special Situations

This portfolio generated 9bp. These returns came from participation in a variety of capital market events such as placements and secondary raisings with single outstanding contributor.

Currency Class FX Hedge - KIS Asia Long Short Cayman Fund US\$ Class 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\$. This forward hedge is then rolled one month into the future each month. The cost of this forward 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 34bp.

Contact Information

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Limited**

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