

Fund Objective

KIS Capital Partners is an Australian based hedge fund manager with an Asia ex Japan trading focus. The KIS Global Multi-Strategy Fund is a trading focused fund whose objective is to generate high absolute returns via the execution of three core strategies: 1) Equity Long Short 2) Special Situations; & 3) Macro Hedge. KIS also deploys capital to both 4) Convergence & 5) Convertible Bond strategies as scale and market environment allow. Trade selection and portfolio management are based on three distinct principals of: Liquidity, Transparency and Risk Management. Generally, KIS looks to build a portfolio of 'winning' trades and then hedges potential macro risks.

Performance

This month's update includes performance data for the Master Series of the KIS Global Multi-Strategy Fund (KIS GMSF), trade summaries and strategies deployed in November 2011.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2011	1.35%	0.81%	-2.20%	1.14%	3.32%	-2.69%	2.70%	3.88%	1.02%	2.48%	0.36%		12.62%
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. Please contact the manager or fund administrator for more information. 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 2011 have been audited by Ernst & Young Partnership.

Monthly Summary

Equity markets were negative again in November with the ASX 200 down 4% and Hang Seng index down circa 10%.

Volumes felt light. In Australia they were not significantly reduced but across the rest of Asia the numbers reflected this feeling.

Investors seemed to be welcoming the end of a difficult year. Most equity markets and hedge fund strategies have not performed well. The markets have been hard to predict and have not always acted in a rational way to developments either at a macro level or more recently even, at a stock level.

European politicians have appeared to play a game of chicken with the consequences of their previous actions. Sadly we expect this to continue and think that we will need to stare into the abyss twice more before the ECB accepts that the only tenable solution is printing money.

The United States does not appear to have moved forward significantly with their budget deficit issues.

We hope that next year will be easier on all, but sadly we do not expect it.

We wish all of our investors and readers a Merry Christmas and a Happy New Year.

Equity Long/Short

This portfolio contributed 15bp this month.

During the month we observed a variety of situations where stocks did not react to news in the way we would normally expect. As noted above investors are tired. We were unsuccessful in the trading of Fortescue Metals and Lynas which contributed 28bp and 20bp to losses.

However, we were successful in the trading of Mesoblast in the period, after a broker issued a downgrade. We made money in Nexus Energy where a power struggle at a board level led to a rally in the share price this contributing 18bp. We were also successful in using S&P500 index to hedge our risk and this contributed 13bp.

FUND PERFORMANCE PROFILE

MONTHLY

Performance: 0.36%

ROLLING 12 MONTHS

Performance: 15.83%

SINCE INCEPTION

Cumulative Performance: 57.66%

FUND INFORMATION

Fund Denomination:	AUD
Investor Type:	Sophisticated/Wholesale
Management Fee:	1.5%
Performance Fee:	20%
Management and Performance Fee are shown ex. GST	
Performance Hurdle:	RBA Cash Rate
Subscription:	Monthly
Redemption:	Monthly
Start Date:	Oct 2009
Domicile:	Australia
Prime Broker:	Deutsche Bank
Auditor:	Ernst & Young
Legal Counsel:	Minter Ellison
Risk Management:	Imagine
Fund Administrator:	TMF FundServices (Australia)

FUND DESCRIPTION

Global Multi-Strategy

Strategies used this month

- Equity Long/Short – Australian Equities, Equity Rights, Equity Options and Index Options. Australian & US Index Futures. Hong Kong Equities.
- Portfolio Hedge – Australian Equity Options and Warrants.
- Equity Arbitrage – Australian Equities
- Convertible Bond Trading – Australian & Hong Kong Convertible Bonds (CBs) and Credit Default Swap on Australian Issuer.
- Special Situations – Australian, Hong Kong & Singaporean Equities. Australian & Hong Kong Equity Rights. Australian Warrants. Australian Index Futures.

Equity Long/Short (continued)

We made a profit of 13bp on the trading of Navitas, trading from the short side as industry contacts highlighted to us the impact of the strength that the Australian Dollar is having on the overseas student business. The cost of educating your child in the US or Europe can look attractive vs. Australia with a strong Australian Dollar. We also made 12bp being short of Bluescope. We anticipated the need of the company to raise equity finance but we closed our short position one day early limiting our profits.

Portfolio Hedge

Given the continued higher levels of implied volatility and skew in most markets, we found the cost of portfolio hedges to be expensive.

As a result we were not active in this portfolio and it did not make a meaningful contribution to this month's return.

Convertible Bond Trading

This portfolio contributed 9bp.

We continued to lighten positions and will continue to seize on opportunities as they present themselves.

Special Situations

This portfolio contributed 12bp.

No significant winners or losers in this portfolio in November.

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