

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
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:	-0.06%	Fund Denomination:	A\$
ROLLING 12 MONTHS		Investor Type:	Sophisticated/Wholesale
Performance:	14.06%	Management Fee:	1.5%
SINCE INCEPTION		Performance Fee:	20%
Annualised Performance:	17.76%	<i>Fees are shown exclusive of GST</i>	
SINCE INCEPTION, OCTOBER 2009		Performance Hurdle:	RBA Cash Rate
Cumulative Performance of A\$1000 invested:	A\$2003	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
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). Returns for other classes 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		FUND INFORMATION	
Performance:	-0.31%	Share Class Denomination:	US\$
ROLLING 12 MONTH		Investor Type:	Eligible Investor
Performance:	10.31%	Management Fee:	1.5%
SINCE INCEPTION		<i>The management fee increases to 2.0% from Jan 2014 for non-Foundation Class Investors</i>	
Annualised Performance:	9.03%	Performance Fee:	20%
SINCE INCEPTION, JULY 2012		Performance Hurdle:	None
Cumulative Performance of US\$1000 invested:	US\$1138	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, Malaysian, New Zealand and Singaporean Equities. Australian, Indian, Indonesian and US Index Futures. Australian and Hong Kong Equity Options. Australian Index Options.

Portfolio Hedge – Australian Equity Warrants. Japanese Index Options.

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

Special Situations – Australian Listed Hybrid Securities. Australian, Canadian, Hong Kong and Singaporean equities. ADRs on a Chinese company.

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

December felt like a long and uneventful month for KIS Capital. The Christmas holiday lull seemed to start early and extended well into January. Equity market volumes were low and we found few opportunities to generate significant returns in December across the different trading strategies and across the different countries KIS invests and trades in.

We used the period to establish some positions with a view that interest and activity will return in January when other portfolio managers and investors return from vacation.

Long Short

When looking at our hit rate, only 46% of our ideas were winning this month. Good stop loss discipline meant that our average profit on an idea was 1.2x the size of our average loss. The net of these two meant this portfolio lost 4bp.

We had a small long position in OZ Minerals [OZL.AX] which announced weaker than expected guidance on the 11th December. The stock was very aggressively sold, falling in excess of 30% at one point on the day. Even though we felt the move was excessive, we adhered to our principle of stopping out of losing trades and cut our exposure. On the month we lost 28bp on the name.

On the winning side we benefitted from APA Group coming to the table again and improving its offer to buy the 2/3rd of Envestra Limited [ENV.AX] that it does not currently own. This generated a profit of 27bp.

Portfolio Hedge , Convertible Bonds and Special Situations

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

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 28bp.

Contact Information

**Trustee; KIS Asia Long Short Fund:
KIS CAPITAL PARTNERS**

Address: Suite 601, 23 Hunter Street, Sydney, NSW, 2000, Australia

Tel: +61 2 8227 7111

Email: ir@kiscapital.com

**Board of Directors; KIS Asia Long Short Cayman Fund and KIS Asia Long Short Cayman Master Fund:
KIS Asia Long Short Cayman Fund and KIS Asia Long Short Cayman Master Fund c/o Intertrust Corporate Services (Cayman) Limited**

Address: Walker House, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands

**Investment Manager; KIS Asia Long Short Fund, KIS Asia Long Short Cayman Fund and KIS Asia Long Short Cayman Master Fund:
KIS CAPITAL PARTNERS**

Address: Suite 601, 23 Hunter Street, Sydney, NSW, 2000, Australia

Tel: +61 2 8227 7111

Email: ir@kiscapital.com

Disclaimer

The information contained in this document has been prepared by KIS Capital Partners Pty Ltd ABN 87 138 165 901 AFSL 339583 ('KIS Capital') and is given to only 'wholesale clients' (as defined in the Corporations Act 2001 (Cth)) or 'Eligible Investors'. By accepting this document, you are representing that you are a 'wholesale client' or 'Eligible Investor' and that you will keep this document and the information therein confidential including not providing it to retail clients or ineligible investors.

This document does not take into account the objectives, financial situation or needs of any particular person. The information in this document is intended only for purposes of providing a general understanding of an investment in KIS Asia Long Short Fund or the KIS Asia Long Short Cayman Fund ('the Funds') and is not intended to be a definitive statement on the subject matter nor should be relied upon in making a decision to invest in the Funds. Persons should rely solely upon their own investigations in respect of the subject matter discussed in this document.

Any forward looking statements, opinions and estimates provided in this document are based on assumptions and contingencies which are subject to change without notice. Forward-looking statements including projections and estimates are provided as a general guide only and should not be relied upon as an indication of the future performance of the Funds. Investments can fall as well as rise. Past performance is not necessarily indicative of future performance.

No representations or warranties, express or implied, are made as to the accuracy or completeness of the information, opinions and conclusions contained in this document. In preparing this document, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available to KIS Capital. To the maximum extent permitted by law, neither KIS Capital nor its directors, employees or agents accept any liability for any loss arising in relation to this document.

This document does not constitute an offer to sell or a solicitation of an offer to buy interests or securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation.