

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%						8.10%
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 2012 have been audited by Ernst & Young Partnership.

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

MONTHLY	FUND INFORMATION
Performance: 1.89%	Fund Denomination: A\$
ROLLING 12 MONTHS	Investor Type: Sophisticated/Wholesale
Performance: 14.62%	Management Fee: 1.5%
SINCE INCEPTION	Performance Fee: 20%
Annualised Performance: 18.20%	<i>Fees are shown exclusive of GST</i>
SINCE INCEPTION, OCTOBER 2009	Performance Hurdle: RBA Cash Rate
Cumulative Performance of A\$1000 invested: A\$1898	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%						5.72%
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:	1.59%	Share Class Denomination:	US\$
ROLLING 12 MONTH		Investor Type:	Eligible Investor
Performance:	9.33%	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:	8.37%	Performance Fee:	20%
SINCE INCEPTION, JULY 2012		Performance Hurdle:	None
Cumulative Performance of US\$1000 invested:	US\$1091	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, Hong Kong, New Zealand and Singaporean Equities. Australian and US Index Futures. Australian Index and Equity Options.

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

Convertible Bonds – Australian Listed Hybrid Securities. Convertible Bonds on HK Issuer.

Special Situations – Australian, Hong Kong and Singaporean Equities. Australian Equity Warrants.

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.

Administrational Matters

Unit holders of the KIS Asia Long Short Fund should have received their distribution statements and distribution payments or reinvestment contract notes from the Fund Administrator.

All series of the KIS Asia Long Short Fund were above high water mark as of the 30th June 2013. As a result, in accordance with the information memorandum, all series were consolidated into the Master Series. Investors who were invested in a series other than the Master Series should have received contract notes reflecting this consolidation.

Monthly Summary

Macro-economic data from Europe indicated an improvement in conditions, albeit from a very low base.

This is positive, but in the long run governments need to address their balance sheet issues. The idea of a single currency for countries with such divergent fiscal and economic situations remains questionable. In our view, European currency unity is not sustainable in its current status and unless European integration needs to be more complete, currency union in isolation is doomed to eventually fail.

US data lost some of its momentum and this may slow the expected tapering of Quantative Easing (QE) but QE will be reduced as soon as the US economy can tolerate it. This is likely to lead to an environment of improving economic conditions, such as lower unemployment, in tandem with flat or declining financial asset prices. We do not see a crash being forced on the financial markets from QE tapering but we see the supply of easy money that has created a bid for risky assets being weakened in the future.

In Australia the election rhetoric is in full swing. The main candidates came out offering many new initiatives, some of which were not so new, to highlight their 'desirability'.

Our perceived issue here is that the House of Representatives three year term encourages generous promises to the electorate to elicit their vote, without offering the time to deal with the consequence of these promises or implement policies to generate value in the economy. The fiscal balance sheet is not positioned to deal with promises made in order to achieve an election victory.

As a result, we doubt that Australia's AAA rating will survive whichever government is elected next. The impact of this is not likely to be major in the markets, just a loss of pride! Hopefully it will act as a warning bell that the budget needs to be more balanced than it has been in recent years, especially given the slowdown that is appearing in the resource driven part of the economy.

Long Short

This portfolio was the main driver of this month's returns generating 145bp

There was no one significant single name contributor to this portfolio's return this month. The largest return came from Ambassador Oil (AQO.AX) which contributed 26bp.

We suffered from using short index futures to hedge our long single name exposures with the short index hedges costing 45bp with equity markets rallying over the month.

The return this month came from our success ratio, with 74% of our single name ideas being profitable, and our profit management techniques with the average profit being 17% greater than the average loss.

Portfolio Hedge

This portfolio contributed 20bp. This was derived from a holding in Consegna Group Ltd issued warrants (CGPOOA.AX) taken in a placement.

Warrants with a low delta or low current value are held unhedged in this portfolio and we look to a rally in the stock price to create a profitable opportunity to either sell, as was the case here, or hedge.

Convertible Bonds

This portfolio did not have a significant impact on returns this month.

Special Situations

This portfolio contributed 22bp this month. No one underlying generated a significant impact.

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 31bp.

This month there was no significant impact from the allocation of profit and loss between series based on opening AUM vs. closing AUM levels (which differ over the month as a function of movements in the FX rate).

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