

FURY FUND MONTHLY REPORT

April 2019

Portfolio Performance

	Apr 19	YTD 2018/19
The Fury Fund ^{*1}	+2.25%	-4.25%
HFRI EM Asia ex Jpn ^{**}	+0.81%	+0.02%

Exposure

As at 30 Apr 2019	1 mth	Positions
Long Positions	108.25%	23
Short Positions	85.74%	27
Incl. Index Hedges (net)	33.63%	5
Net	22.52%	-

* The Fury Fund is an unregistered wholesale unit trust in Australia which acts as an AUD hedged feeder fund into The Asian Fury Fund. The Fund's inception date was 1 August 2018. ¹ Founder share class.

** HFRI Emerging Markets Asia ex-Japan Index

All performance figures are net of fees and expenses.

Portfolio Overview

Despite Q1 earnings in full swing, volatility in the month of April was muted (VIX averaged 13) and the market continued its upward march as China's GDP, retail sales and industrial production topped expectations. The Fury Fund for the month posted a +2.25% return.

In April, Las Vegas Sands (up 10%), announced first quarter earnings that exceeded consensus. The company's outperformance in Gross Gaming Revenue ("GGR") market share (24.5% vs. 22.9% consensus) and revenue growth (up 2% y/y) despite a difficult comparable quarter in 2018 supported our thesis of continued strength in the mass and premium mass market. With consensus still expecting a decline in GGR for 2019 and Las Vegas Sands to lose market in Macau due to new entrants, the LVS stock is well positioned given the low expectations and the underlying trend of the growing mass and premium mass market. In addition to LVS, PPdai (up 38%) rallied in the month as improving loan volume growth combined with a low valuation (4x P/E) reversed the sell-off from March.

Our short Wynn Macau (down 22%) and long Bitauto (down 19%) positions were our biggest detractors for April. Wynn Macau rallied as the March GGR of -0.4% was meaningfully better than the market expectations of decline of 2-4%. Bitauto, a provider of online content and marketing services to China's auto sector, sold off in April as concerns of the Chinese auto sector weighed on this small cap stock. However, we continue to like the fundamentals of the business as the government tax cuts should help the auto sector combined with the company excluding Yixin, its online lending subsidiary that is publicly traded but consolidated into Bitauto's financials, trading at an extremely low 5x P/E (Autohome, its direct competitor, trades at 23x P/E).

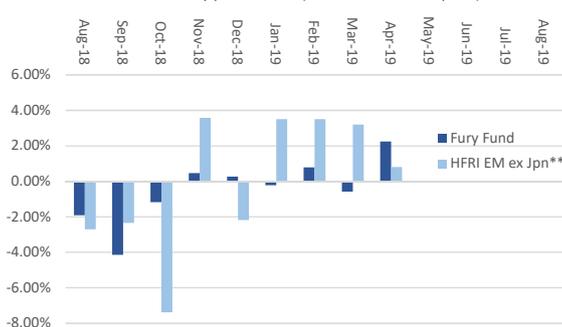
With US-China trade discussions nearing a decision point, we expect near term volatility to increase. Accordingly, we have moderated our slight long bias but still find valuations on our preferred stocks reasonable.

Fund Strategy

The LSL Partner's Fury Fund strategy aims to deliver high, risk adjusted returns from a concentrated portfolio of well researched listed Asian stocks.

The investment team ranks an investable universe of companies across multiple sector and filters the most under and over valued candidates for further analyses into any embedded controversies that may, or may not, be valid risks to the companies' stock price valuation. A long/short portfolio is constructed of approximately 30 positions from these selected companies. The investment team will seek a prudent balance between long and short exposures within a +/- 25% net market policy exposure range. Any country weight mismatches are neutralised via ETF or derivative instruments where no market view is taken. Net target returns are in excess of 10% per annum with a Sharpe ratio above one.

Monthly performance (net of fees since inception)



LSL Partners Fury Fund Features

Fund type	Asia Pacific Long/Short Equity
Inception Date	1 August 2018
Min. Initial Investment	AUD 500,000
Management Fee	1.50%
Performance Fee	20% of performance
Distribution Frequency	Annually
Applications/Withdrawals	Monthly
Buy/Sell Spread	None

LSL Partners Fury Fund - Net Monthly Returns

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY
Fury Fund 2018/19	-	-1.90%	-4.15%	-1.17%	+0.46%	+0.26%	-0.22%	+0.79%	-0.57%	+2.25%	-	-	-4.25%
HFRI EM ex Jpn**	-	-2.71%	-2.34%	-7.38%	+3.58%	-2.17%	+3.52%	+3.51%	+3.20%	+0.81%	-	-	+0.02%

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Date of preparation: 14 May 2019 - LSL Partners Pty Limited (CAR No. 001264850 of Fundhost AFSL No. 233045)