

FURY FUND MONTHLY REPORT

December 2018

Portfolio Performance

	Dec 18	YTD 2018
The Fury Fund* ¹	+0.26%	-6.50%
HFRI EM Asia ex Jpn**	-2.52%	-11.48%

Exposure

As at 31 Dec 2018	1 mth	Positions
Long Positions	54.69%	19
Short Positions	45.31%	28
Incl. Index Hedges(net)	4.76%	5
Net	9.38%	-

* 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

December was another volatile down month led out of the United States, with a Santa Claus rally the only thing keeping global investors from a double-digit loss. Despite continued focus on trade talks, Asia actually outperformed global markets, likely due to seller exhaustion. Against this backdrop the Fury Fund delivered a positive return of +0.26%.

In a quiet month for stock news, our biggest gains came from Shenzhen Expressway (up 12%) and our short in Esprit (down 14%). Shenzhen Expressway likely saw some value buyers enter the fray while Esprit saw a sceptical response to their latest business model and restructuring efforts.

Our largest detractors for the month were our long positions in Shandong Weigao (down approximately 14%) and Ping An Group (down around 9%). Weigao is being unfairly tarnished with pharmaceutical pricing pressures while Ping An is seeing macro related selling pressure on the back of emerging market outflows and lower interest rate expectations in China.

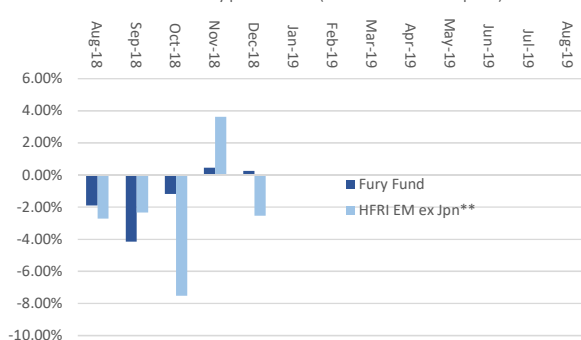
We have again been maintaining a slightly long bias tempered by put protection against large moves. Gross exposure has been ticking up slowly as we feel more confident that Asian markets are normalising.

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
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	-	-1.90%	-4.15%	-1.17%	+0.46%	+0.26%	-	-	-	-	-	-	-6.50%
HFRI EM ex Jpn**	-	-2.71%	-2.34%	-7.53%	+3.62%	-2.52%	-	-	-	-	-	-	-11.48%

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