



FURY FUND MONTHLY REPORT

February 2019

Portfolio Performance

	Feb 19	YTD 2018/19
The Fury Fund* ¹	+0.79%	-5.93%
HFRI EM Asia ex Jpn**	+3.13%	-4.05%

Exposure

As at 28 Feb 2019	1 mth	Positions
Long Positions	86.19%	20
Short Positions	70.55%	27
Incl. Index Hedges(net)	9.49%	2
Net	15.64%	-

* 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

Asian markets, China in particular, rebounded strongly in February on news reports indicating meaningful progress was being made in the US-China trade negotiations. The Fury Fund posted a return of +0.79% on the month.

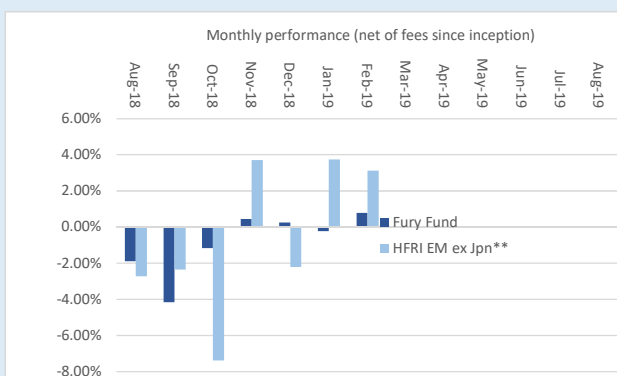
The Fund's biggest gains in the month came from Autohome (up 30%), a large Beijing based, US\$10 billion on-line auto advertiser and retailing company and China Life (up 12%), one of China's largest insurance companies with US\$445B in assets. Autohome rallied as sentiment improved on its pricing power with car dealerships and expectations that Autohome's prime position in China's auto complex would be reflected in robust Q4 2018 earnings relative to expectations of weakness due to the challenging Chinese auto market. China Life's strength was likely attributed to an expectation on improving returns for their investment book due to the rally in China's A-share market.

The Fund kept its individual short position sizing at a relatively low weight, fearful that trade talk exuberance could push stock prices much higher in the short term. No individual short stock position was greater than -4% over the month. As such, the Fund's largest detractor over the month was another long position, Netease (down 11%) as worries about timing of future game approvals weighed on the stock despite beating revenues and earnings estimates during the month.

We continue to hold a slight long bias as we remain increasingly confident in the prospects of our key positions for the rest of 2019. We would move this higher but are mindful that a near term market pullback could eventuate should there be disappointment in the trade tariff resolution.

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.



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%	-	-	-	-	-5.93%
HFRI EM ex Jpn**	-	-2.71%	-2.34%	-7.38%	+3.71%	-2.21%	+3.75%	+3.13%	-	-	-	-	-4.05%

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