

FURY FUND MONTHLY REPORT

January 2019

Portfolio Performance

	Jan 19	YTD 2018/19
The Fury Fund* ¹	-0.22%	-6.72%
HFRI EM Asia ex Jpn**	+4.84%	-6.30%

Exposure

As at 31 Jan 2019	1 mth	Positions
Long Positions	82.03%	20
Short Positions	72.94%	28
Incl. Index Hedges(net)	-0.74%	2
Net	9.09%	-

* 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

2019 began the same way 2018 ended with a high degree of volatility, however, unlike December, the volatility led to a strong bear market bounce spurred by positive commentary from the US - China trade discussions. The Fury Fund posted a return of -0.22% on the month.

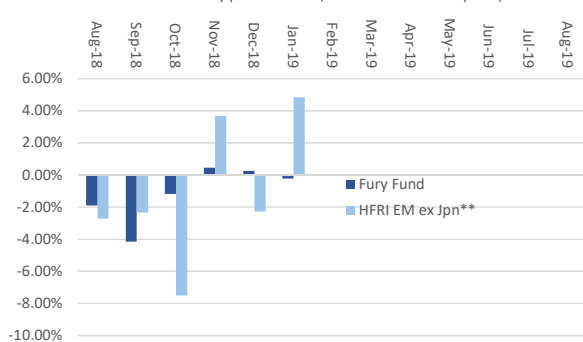
Our largest Macau long positions (Melco up 14% and LVS up 12%) performed very well in January buoyed by the announcement of strong gross gaming revenue in December (up 16.6% y/y, well ahead of consensus estimates of ~11%). The reacceleration of gaming revenue in December supported our view that the market is underappreciating Macau's tremendous growth in mass and mass premium customers which we believe will more than offset any macro led weakness in the VIP segment. Shun Tak (up 26%) also outperformed on the news that Pansy Ho, the company's Managing Director, had secured control of the casino holding company her father created (STDM). The strong performance in Shun Tak stocks reflects the market belief that with control over STDM, she will eliminate uncertainty around the direction of the casino ensuring Shun Tak Holdings economic future.

Our largest detractors were our short positions in Chinese technology companies (Kingsoft down 32%, Pinduoduo down 30% and CTrip down 23%) as the whole sector spiked in January. Pinduoduo rallied on market's expectation of their continued growth in lower tier cities, however, our belief is that their business model is flawed and that they are buying market share at huge losses that the market will eventually focus on when growth moderates.

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 2018/19	-	-1.90%	-4.15%	-1.17%	+0.46%	+0.26%	-0.22%	-	-	-	-	-	-6.72%
HFRI EM ex Jpn**	-	-2.71%	-2.34%	-7.50%	+3.68%	-2.27%	+4.84%	-	-	-	-	-	-6.30%

Disclaimer: This communication is issued by LSL Partners Pty Ltd ABN 62 622 201 021 Level 1 165 Phillip Street Sydney NSW 2000. This information does not constitute a recommendation, offer or solicitation to buy or sell any securities. It reflects LSL Partners Fury Fund portfolio at the end of the month stated and LSL Partners views at the date of preparation. Both the Portfolio and LSL Partners views are subject to change without notice. Past performance figures are no guarantee of future returns.

Fundhost Limited (ABN 69 092 517 087) (AFSL 233045) ("Fundhost") is trustee of, and issuer of units in the Fund. This information has been prepared for wholesale investors only and without taking into account your investment objectives, financial situation, or needs. Before making an investment decision you should consider the appropriateness of the information having regard to these matters. Before you invest it is important that you read and understand the terms set out in the Information Memorandum ("IM"). To the extent permitted by law, neither Fundhost nor LSL Partners, including their employees, consultants, advisors, officers or authorised representatives are liable for any loss or damage arising as a result of reliance placed on the contents of this report.

Date of preparation: 12 February 2019 - LSL Partners Pty Limited (CAR No. 001264850 of Fundhost AFSL No. 233045)