

Investment Objective and Strategy

Weiss Korea Opportunity Fund ("WKOF") seeks to provide shareholders with an attractive return on their investment primarily through long-term capital appreciation, investing largely in listed preferred shares issued by South Korean companies. In many cases, these listed preferred shares trade at a discount to the corresponding common shares of the same issuers. Unlike many preferred stocks throughout the world, while the listed preferred shares targeted by WKOF are called "preferred," they are generally more similar to non-voting common shares; they may not have any preference in liquidation and typically do not have a fixed dividend—rates typically grow with economic growth in the underlying issuer. As a result, the preferred shares' price-to-earnings ratios are substantially lower and the dividend yields are higher than their respective common shares. While WKOF invests primarily in these preferred shares, it may invest some portion of its assets in cash and other securities, including exchange-traded funds, futures contracts, and other securities.

The vast majority of the Company's return since inception is attributable to the discount narrowing of preferred shares held. Larger discount Korean preferred shares in general are often less liquid than smaller discount Korean preferred shares, but the Investment Manager believes that it is currently in the interest of shareholders to trade off liquidity for what we believe to be a portfolio with higher expected returns. The Investment Manager plans to rebalance the Company's portfolio, over time, toward larger discount Korean preferred shares consistent with its view on the most attractive portfolio.

Important Disclosures

All investments involve risks, including possible loss of principal. Investing in international and emerging markets may involve additional risks, such as social and political instability, market illiquidity, exchange-rate fluctuations, a high level of volatility and limited regulation. In addition, single-country and sector funds may be subject to a higher degree of market risk than diversified funds because of concentration in a specific industry, sector or geographic region. Please see WKOF's Admission Document for a more complete discussion of the investment objective, strategy and risks associated with WKOF.

Net Asset Value (NAV) performance is not linked to share price performance, and shareholders may realise individual returns that are lower or higher than the performance of NAV. The annual investment management charge and other charges are deducted from capital.

Performance and NAV data for WKOF are estimates, based on unaudited valuations. Final performance and NAV based on audited data may differ materially from that presented herein. While the information contained herein has been prepared in good faith from sources believed to be reliable, no representations, warranties or undertakings (express or implied) are given as to, or in relation to, the accuracy, reliability or completeness of the information contained herein, and all liability therefore is expressly disclaimed.

Given the continuing political tensions in Asia, the Manager, after consulting with the Board of Directors, caused the Company to purchase certain credit default swaps on the sovereign debt of South Korea and put options on iShares MSCI South Korea as general market and portfolio hedges.

Performance Analysis

	Since Inception ⁷	Past Month	Trailing 12-Month Period
WKOF NAV/Share ^{2,8}	71.8%	-4.1%	-3.3%
MSCI South Korea Index ^{1,8}	38.7%	-2.2%	-7.5%

Top 10 Holdings⁹

	Ticker	% of NAV
Samsung Electronics Co., Ltd., Pfd.	005935 KS	20%
LG Electronics Inc., Pfd.	066575 KS	8%
Samsung SDI Co., Ltd., Pfd.	006405 KS	6%
Korea Investment Holdings Co., Ltd., Pfd.	071055 KS	5%
Hyundai Motor Company, 1st Pfd.	005385 KS	5%
CJ CheilJedang Corp, Pfd.	097955 KS	5%
Samsung Electro-Mechanics Co., Ltd., Pfd.	009155 KS	5%
LG Household & Health Care Ltd., Pfd.	051905 KS	4%
Daelim Industrial Co., Ltd., Pfd.	000215 KS	4%
Kumho Petro Chemical Co., Ltd., Pfd.	011785 KS	4%
Top 10 Holdings Summary		65%

Past performance should not be seen as an indication of future performance. The information on this factsheet is as of 31 July 2019 unless stated otherwise. The value of investments and any income may fluctuate and investors may not get back the full amount invested. The views expressed are those of Weiss Asset Management LP at the time of writing, are subject to change without notice and should not be interpreted as investment advice. This document is provided for the purpose of information only.

Fund Information

Bloomberg Ticker	WKOF LN
Inception	14 May 2013
Benchmark ¹	MSCI South Korea Index
Net Assets ²	£ 124,068,537
NAV/Share ²	£ 1.5201
Closing Share Price	£ 1.5500
Premium/(Discount) to NAV	2.0%
Number of Positions ³	41

Statistics of Preferred Share Holdings

Weighted Average Discount of Preferred Shares Held ⁴	42.5%
Trailing Net Dividend Yield of Preferred Shares Held ⁵	2.7%
Average Trailing 12-Month P/E Ratio of Preferred Shares Held ⁶	5.4x

Dealing Information

Listed	AIM
ISIN	GG00B933LL68
SEDOL	B933LL6

Advisors & Contact Information

Investment Manager	Weiss Asset Management LP
Broker & Nominated Advisor	Nplus1 Singer Advisory LLP T: (44) 20 7496 3000
Fund Administrator	Northern Trust International Fund Administration Services (Guernsey) Limited
Auditor	KPMG Channel Islands Limited
Website	www.weisskoreaopportunityfund.com

References

- MSCI Korea 25/50 Net Total Return Index, denominated in British pounds sterling.
- As noted in the Admission Document, dividends from Korean preferred shares are not accounted for or accrued in the NAV until dividends are received by the Company. Recent changes to dividend policies of certain companies owned by the fund, such as increasing dividend levels or more frequent dividend payouts, may make it more difficult to accurately estimate dividend amounts in a given period prior to that dividend being received by the Company. The Company notes that there are dividends receivable as at the stated NAV date, but such dividends have not yet been received so they are not yet included in NAV. The amount of such dividends is approximately an additional 0.42 pence per share. Please refer to the Admission Document for more information regarding the announcement and payment of Korean dividends.
- Number of Positions does not include credit default swaps held by the portfolio for hedging purposes.
- Weighted Average Discount of Preferred Shares Held is the average discount of the last traded price of the preferred shares held by WKOF to the last traded price of the respective common shares of the same issuer, weighted by the market value of each investment on the report date.
- Trailing Net Dividend Yield of Preferred Shares Held represents the weighted average dividend yield of the preferred shares owned by WKOF over the 12-month period ending on the report date as reported by Bloomberg, after accounting for Korean taxes applicable to WKOF, and weighted by the market value of each investment on the report date. This figure does not estimate or forecast future dividend payments on WKOF's investments.
- The Average Trailing 12-Month P/E Ratio of Preferred Shares Held is based on the consolidated diluted earnings per share over the trailing 12-month period as reported by Bloomberg, and is calculated as the total market value of WKOF's preferred share portfolio on the report date divided by the total earnings allocable to WKOF based on WKOF's holdings on the report date. Investments with negative reported earnings are excluded.
- Since inception of Weiss Korea Opportunity Fund on 14 May 2013. The WKOF return since inception is calculated on the basis of the Initial Net Asset Value per Ordinary Share.
- MSCI total return indices are calculated as if any dividends paid by constituents are reinvested at their respective closing prices on the ex date of the distribution. WKOF's performance figures include such distributions, but the distributions are not assumed to be reinvested in WKOF when calculating WKOF's performance.
- Top 10 Holdings is calculated using the market value of all holdings including portfolio hedges.