

Prusik Asia Fund



PRUSIK

GROWTH INVESTING IN ASIA

30 April 2019

Monthly Fund Fact Sheet

Investment Objective

To preserve capital and generate absolute returns over a full economic cycle by investing in listed equities in Asia Pacific ex-Japan, whilst maintaining portfolio volatility significantly below the peer group.

Fund Facts

Fund Size (USD)	139.7m
Launch Date	7 October 2005
Fund Manager	Heather Manners
Fund Structure	UCITS III
Domicile	Dublin
Currencies	USD (base), GBP, SGD
Index	MSCI Asia Pacific ex Japan Index

Performance (%)

	U (GBP)	Index (GBP)
1 Month	1.41	1.74
3 Month	7.17	6.72
Year to Date	10.73	10.85
Since Launch	84.49	73.68
Annualised [†]	11.08	9.93

Source: Morningstar.

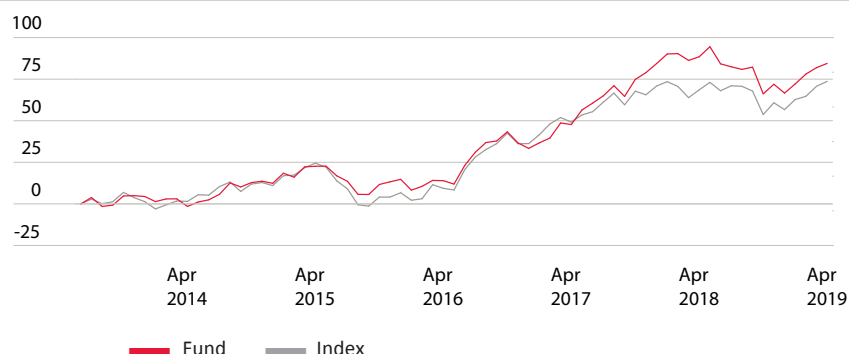
Launch Date: U: 01.07.13

[†]Since Launch Performance

Investment Process

With anomalies as a start point, the investment process seeks to identify and invest in key 'themes' in the Pacific region. Our themes are driven by factors outside of the normal economic cycle and are not yet discounted by the market. Companies are identified and chosen via rigorous bottom-up analysis with emphasis on traditional value and high ROCE. Cash and Index Futures are used when opportunities are few and to reduce portfolio volatility.

Fund Performance - Class U GBP (%)



Source: Morningstar. Total return net of fees.

Performance since launch of Class U GBP share class - 01.07.13

Fund Manager Commentary

In April, the M2APJ index rose 1.74% whilst the Prusik Asia Fund returned 1.41%. Vietnam and China delivered less positive returns for the fund whilst Hong Kong, Indonesia and Singapore did better. At stock level, our sportswear brands continued to do very well, led by Chinese domestic brand **Li Ning**. A-Share listed **Ping An Insurance** was also amongst the month's biggest gainers. Our China construction companies delivered a mixed performance with one, **CSC**, amongst the biggest gainers of the month.

At the time of writing, all eyes are on the US/China trade negotiations and upcoming talks. The danger is that both sides have recently had cause to believe they are in a strong position to negotiate. The US stellar 1Q growth and employment numbers were equally matched by China's recently released slew of improved economic data and additionally, concluding its recent BRI (Belt and Road Initiative) summit with 133 signatories (up from 72 last year). Notably, these 133 signatories account for 51% of China's exports, which represents 9.6% of GDP and this bears comparison with the US, where outgoing trade of US\$480billion represents 19.2% of exports and comprises just 3.6% of GDP. Growth in trade with the BRI nations could easily offset the US as trade partners over time. Equally, both sides have strong pressure from both domestic business interests wanting to conclude a deal and domestic hard-liners not wanting to show weakness. Given the growing number of flashpoints between the two (e.g. Huawei, South China Sea, BRI etc) it looks as though the chances of some kind of settlement are lessening. However, from our perspective the real prize is not current trade but China's future domestic market which is on course to double to around \$24 trillion by 2030. This, despite Trump's recent bluster, puts into question exactly how much leverage the US actually has. Expect a slightly bumpy ride in the coming weeks with good buying opportunities in China.

All data as at 30.04.19. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asia Fund



Top 5 Holdings (%)

Li Ning Co Ltd	4.6
Ping An Insurance Group Co	4.0
Fila Korea Ltd	3.5
Swire Pacific Ltd	3.4
Afterpay Touch Group Ltd	3.3
Total Number of Holdings	37

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	13.3x
Predicted Return on Equity (%)	14.4
Predicted Dividend Yield (%)	2.7

Risk Metrics

Tracking Error (% pa)	6.24
Beta	0.85
Alpha	1.15
Volatility (%)	17.21
Sharpe Ratio	0.63

Thematic Breakdown (%)

Financialisation	21.8	<div></div>
Infrastructure/Logistics/Property	19.1	<div></div>
Local Brands	17.8	<div></div>
Energy/Energy Services/Resources	13.9	<div></div>
AI/Technology/Internet	8.6	<div></div>
Vietnam	7.6	<div></div>
Leisure/Tourism	5.7	<div></div>
Misc	3.1	<div></div>
Education	1.9	<div></div>
Cash	0.5	<div></div>

Geographical Breakdown (%)

Hong Kong/China	48.0	<div></div>
Australia	11.2	<div></div>
Indonesia	7.6	<div></div>
Korea	7.6	<div></div>
Vietnam	7.6	<div></div>
Philippines	6.8	<div></div>
Singapore	5.2	<div></div>
India	3.2	<div></div>
Thailand	2.5	<div></div>
Cash	0.5	<div></div>

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Management Fees

Annual Management Fee

Class U: 1% p.a. Paid monthly in arrears

All Share Classes except Class U: 1.5% p.a. Paid monthly in arrears

Performance Fee

Class U: 10% of the net out-performance of the MSCI Asia Pacific ex-Japan Index, with a high-water mark paid quarterly

All Share Classes except Class U: 10% NAV appreciation with a 6% hurdle annually

Dealing

Dealing Line	+353 1 603 6490
Administrator	Brown Brothers Harriman (Dublin)
Dealing Frequency	Daily
Min. Initial Subscription	USD 10,000
Subscription Notice	1 business day
Redemption Notice	1 business day

Share Class Details

Share Class	Sedol	ISIN	Month-end NAV
A USD Unhedged Non distributing	B0MDR72	IE00B0M9LK15	263.85
B USD Unhedged Distributing	B0M9LL2	IE00B0M9LL22	264.02
C GBP Hedged Distributing	B18RM25	IE00B18RM256	138.97
D SGD Hedged Distributing	B3LYLK8	IE00B3LYLK86	359.23

Performance fee based on individual investor's holding.

U GBP Unhedged Distributing	BBQ37S6	IE00BBQ37S60	184.49
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Performance fee based on fund performance as a whole.

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