

# Prusik Asia Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 March 2017

## 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)	70.5m
Launch date	7 October 2005
Fund Manager	Heather Manners
Fund Structure	UCITS III
Domicile	Dublin
Currencies	USD (base), GBP, SGD

### Performance (%)

	A USD	U GBP
1 Month	5.81	6.46
3 Month	11.91	11.47
Year to Date	11.91	11.47
Since Launch	110.23	48.65
Annualised <sup>†</sup>	6.69	11.16

Source: Morningstar.

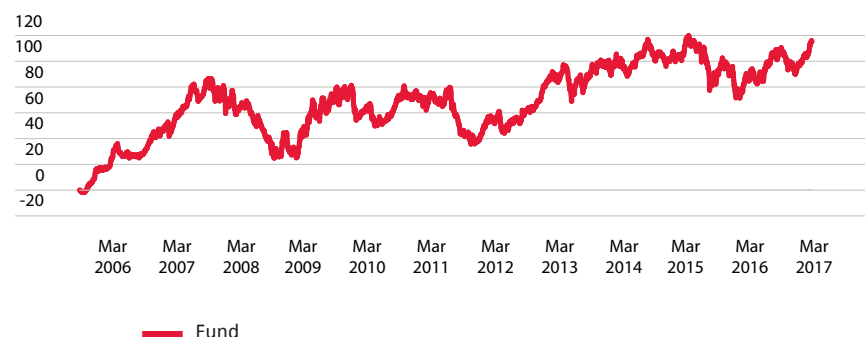
Launch Date: A: 07.10.05, U: 13.07.13

<sup>†</sup>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 A USD (%)



Source: Morningstar. Total return net of fees.

### Fund Manager Commentary

In March, the Prusik Asia Fund rose 5.81% versus the index which rose 3.09%. At country level our weightings in China, Vietnam and Hong Kong were the strongest positive contributors whilst Pakistan, Australia and Thailand were less positive. At stock level, we had very strong performance from Indian housing finance company **Indiabulls** and China white goods brand, **Haier**. Additionally, the two new positions in the Chinese AI sector, **Hikvision** (visual recognition) and **Iflytech** (speech recognition) about which we wrote last month, both also had a very good move in March.

Overall, we continue to see the indices moving ahead and the macro data at last is turning in more positive numbers. In China, we saw the official PMI climb to a five year high to 51.8. Exports are improving, inventory restocking continues and the services sector is strong, especially in retail, internet, financial services and construction which is where we have most of our thematic exposure. We also see that reform quietly continues to move ahead which, we believe, makes a supportive backdrop for the stock market. Meanwhile, the southbound activity in the Hong Kong stock connect program is picking up also.

We recently added a Korean mid-cap company in to the portfolio, **Com2us**, which is an internet games developer. The company is super cheap with a big, new games line-up and a recently signed distribution agreement with US media giant, Activision. One upcoming development is that its key game, 'Summoners War', is to be created as a "MMORG" (massively multi-player online role playing game) in US market. The company has 45% of its balance sheet in cash and trades on an ex-cash PE of just 4.2x.

All data as at 31.03.17. Source: Prusik Investment Management LLP, unless otherwise stated.

# Prusik Asia Fund



## Top 5 Holdings (%)

Samsung Electronics Co Ltd - Pref	7.5
Indiabulls Housing Finance Ltd	5.0
Tencent Holdings Limited	4.5
Vietnam Dairy Products	4.2
Haier Electronics	3.6

Total Number of Holdings	32
--------------------------	----

## Portfolio Financial Ratios

Predicted Price/Earnings Ratio	14.2x
Predicted Return on Equity (%)	18.2

## Risk Metrics

Tracking Error (% pa)	12.39
Beta	0.59
Alpha	1.58
Volatility (%)	16.27
Sharpe ratio	0.56
% of the portfolio which could be sold in 2 business days	95.10

## Thematic Breakdown (%)

Financialisation	25.7	
Artificial Intelligence/Virtual Reality	20.9	
Vietnam	16.1	
Internet	9.1	
Local Brands	8.3	
Cash	7.4	
Infrastructure/Logistics/Property	6.9	
Leisure/Tourism	5.6	

## Geographical Breakdown (%)

Hong Kong/China	34.9	
Vietnam	16.1	
Korea	10.2	
Taiwan	10.1	
Cash	7.4	
Pakistan	6.7	
India	5.0	
Australia	4.8	
Indonesia	2.4	
Thailand	2.3	

All data as at 31.03.17. Source: Prusik Investment Management LLP, unless otherwise stated.

## Management Fees

### Annual Management Fee

1.5% p.a. Paid monthly in arrears

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

### Performance Fee

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

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

## 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	210.23
B USD Unhedged Distributing	B0M9LL2	IE00B0M9LL22	210.37
C GBP Hedged Distributing	B18RM25	IE00B18RM256	115.47
D SGD Hedged Distributing	B3LYLK8	IE00B3LYLK86	292.17

Performance fee based on individual investor's holding.

U GBP Unhedged Distributing	BBQ37S6	IE00BBQ37S60	148.65
-----------------------------	---------	--------------	--------

Performance fee based on fund performance as a whole.

This document is issued by Prusik Investment Management LLP and is for private circulation and information purposes only. Prusik Investment Management LLP is authorised and regulated by the Financial Conduct Authority in the United Kingdom. The information contained in this document is strictly confidential and does not constitute investment advice, nor an offer or solicitation to buy or sell any securities and or derivatives or to make any investment decision and may not be reproduced, distributed or published by any recipient for any purpose without the prior written consent of Prusik Investment Management LLP.

The value of investments and any income generated may go down as well as up and is not guaranteed. You may not get back the amount originally invested. Past performance is not a guide to, or indicative of, future results. Changes in exchange rates may have an adverse effect on the value, price, or income of investments.

The information and opinions contained in this document are for background purposes only, and do not purport to be full or complete. Please refer to the fund prospectus for more detail. The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors and investors alike should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of shares under the laws of the jurisdictions in which they may be subject to tax. No representation, warranty, or undertaking, express or limited, is given as to the accuracy or completeness of the information or opinions contained in this document by any of Prusik Investment Management LLP, its partners or employees and no liability is accepted by such persons for the accuracy or completeness of any such information or opinions. As such, no reliance may be placed for any purpose on the information and opinions contained in this document.