

Prusik Asia Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 March 2016

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)	62.4m
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	7.08	3.24
3 Month	-3.68	-0.57
Year to Date	-3.68	-0.57
Since Launch	88.45	14.11
Since Launch [†]	6.23	4.92

Source: Bloomberg.

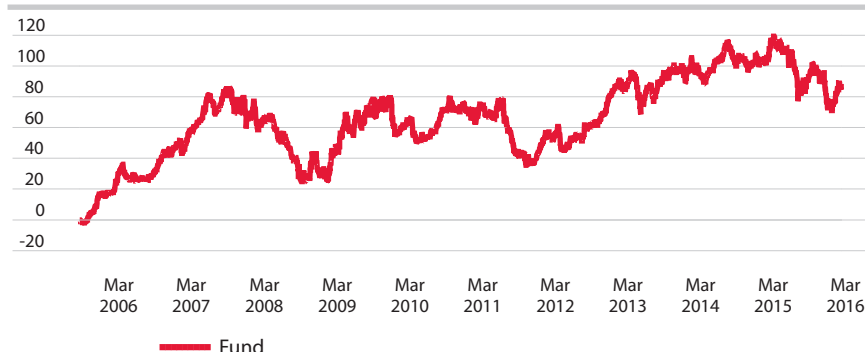
Launch Date: A: 07.10.05, U: 13.07.13

[†]Annualised 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: Bloomberg. Total return net of fees.

Fund Manager Commentary

In March the MSCI Asia ex Japan index rose 11.6%. The fund rose 7.1% thereby underperforming the index by 4.5%. This follows on from a small underperformance by the fund in January and February and thus draws together a slightly frustrating quarter in terms of performance. We made very few changes to the fund during the period so the lack of an appreciation in the fund NAV is largely a failure of our stocks to rally as much as the index in March. While March was disappointing, we also think it is important to highlight that what did well in the month was mostly low quality cyclical stocks, which is not our typical hunting ground for long term investment ideas.

Elsewhere, Vietnam (22% weighting) was also a factor in the fund's underperformance in March. This was not due to anything sinister; in fact, if anything, the news from Vietnam continues to be very positive indeed. Most notably we are starting to see a clear and imminent route to raising foreign ownership limits here which we think will result in big inflows. However, as Vietnam is a stock market which is still dominated by locals it does often tend to march to its own beat. It is also a largely low beta market, which can often be helpful from a portfolio perspective, but at odd times like this that is clearly not the case! Three of our top negative stock contributors in March were in Vietnam.

In the positive category Hong Kong, China and Australia were all helpful. Our top performing companies were **Beijing Airport International**, **Sino Thai Engineering Company** (Thai infrastructure) and **LG Chem** (EV batteries).

The end of March also marks the end of the reporting season. You may recall that the average operating profit on the fund grew 19% in the first half of 2015. This number, once the full year is taken into account, has risen to 21%. The Hong Kong and China average is 22%. This bodes well for the fund performance to catch up soon with market levels.

In April we are travelling to Hong Kong and Taiwan to visit companies in our smart textile and electric vehicle themes.

All data as at 31.03.16. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asia Fund



Top 5 Holdings (%)

Newcrest Mining Limited	4.9
AIA Group Ltd	4.8
Beijing Capital International Airport	4.7
Vietnam Dairy Products	4.6
Pacific Textiles Holdings Ltd	4.2
Total Number of Holdings	29

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	16.9x
Predicted Return on Equity (%)	15.5

Risk Metrics

Beta	0.57
Alpha	2.03
Sharpe Ratio	0.44
Volatility (%)	14.09
% of the portfolio which could be sold in 2 business days	86.73

Thematic Breakdown (%)

Vietnam	21.7	<div></div>
Smart Textiles	13.6	<div></div>
Financials	11.7	<div></div>
Infrastructure/Logistics/Property	11.0	<div></div>
Local Brands	10.0	<div></div>
Internet	8.5	<div></div>
Leisure/Tourism	5.2	<div></div>
Other	4.9	<div></div>
Electric Car	3.9	<div></div>
Telecoms	3.1	<div></div>
Healthcare	2.6	<div></div>
Virtual Reality	2.3	<div></div>
Cash	1.7	<div></div>

Geographical Breakdown (%)

Hong Kong/China	41.9	<div></div>
Vietnam	21.7	<div></div>
Australia	10.8	<div></div>
India	6.0	<div></div>
Taiwan	5.4	<div></div>
Korea	3.9	<div></div>
Thailand	3.3	<div></div>
Philippines	2.8	<div></div>
Indonesia	2.6	<div></div>
Cash	1.7	<div></div>

All data as at 31.03.16. 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 (MXAPJ) 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	188.45
B USD Unhedged Distributing	B0M9LL2	IE00B0M9LL22	188.57
C GBP Hedged Distributing	B18RM25	IE00B18RM256	103.87
D SGD Hedged Distributing	B3LYLK8	IE00B3LYLK86	262.37

Performance fee based on individual investor's holding

U GBP Unhedged Distributing	BBQ37S6	IE00BBQ37S60	114.11
-----------------------------	---------	--------------	--------

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.