

Prusik Asia Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 January 2015

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)	91.0m
Launch Date	7 October 2005
Fund Manager	Heather Manners
Fund Structure	UCITS III
Domicile	Dublin
Currencies	USD (base), GBP, SGD

Performance (%)

	A USD	C GBP	D SGD
1 Month	1.57	1.77	1.68
3 Month	-1.05	-0.73	-0.84
Year to Date	1.57	1.77	1.68
Since Launch	104.76	62.22	13.25
Since Launch †	7.99	5.82	2.50

Source: Bloomberg.

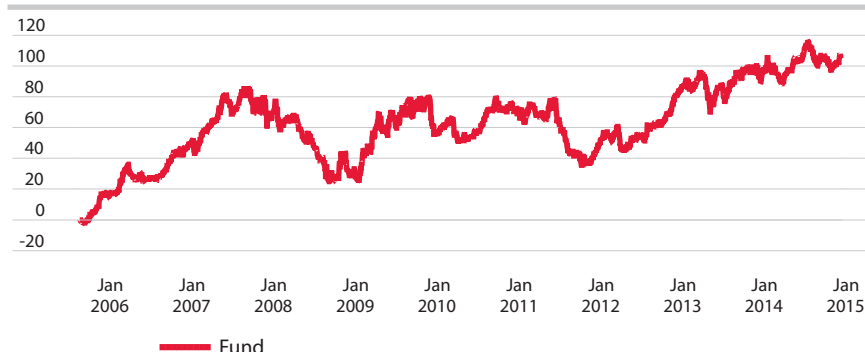
Launch Date: A: 07.10.05, C: 14.07.06, D: 15.01.10

† 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

The fund rose just ahead of the index in January, increasing by 1.6%. The major contributors to performance were fairly widely scattered through the portfolio. At the country level China, Thailand and Korea were more helpful this month. Amongst the top contributors at a stock level were Korean package delivery and logistics company, **Hanjin Transportation Co Ltd**, and China's largest airport operator, **Beijing Capital International Airport Co Ltd**. The latter is a similar size to Heathrow but quite remarkably has a market capitalisation equivalent to just 25% of the proposed cost of the new runway at Heathrow, so there is further upside!

On the negative side, **Alibaba Group Holding Ltd** was weak and we sold **Kinh Do Corp**, a Vietnamese branded snack food company after management decided to sell 80% of the company's core confectionary business to **Mondelez International Inc** in the US. **Kinh Do Corp** has been an extremely lucrative investment for the fund, returning nearly 200% since purchase towards the end of 2011.

Vietnam was also strong during the month and we continue to be very optimistic that 2015 will be another good year for this stock market. During January we also visited Vietnam and were impressed by the amount of foreign direct investment pouring into the country, especially from Japan and Thailand. In addition, the likes of **LG Corp** and **Samsung Electronics** are entering Vietnam to enact their 'China +1' philosophy, namely spreading their manufacturing bases across the Asia region.

The upshot is an economy which is now growing at around 7% per annum and a more benign inflationary environment. Interest rates could fall further which would help drive an already nascent property boom as well as give an extra boost to the consumer. We are adding to our property exposure here and continue to believe in our consumer holdings, such as jewellery brand **Phu Nhuan Jewelry**, which saw gold jewellery sales grow 41% year on year in 2014.

All data as at 31.01.15. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asia Fund



Top 5 Holdings (%)

Huaneng Power International Inc	3.5
AIA Group	3.4
Hutchison Telecommunications	3.1
Siam Cement	3.0
LG Uplus	3.0
Total Number of Holdings	42

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	14.8x
Predicted Return on Equity (%)	17.7
Predicted Earnings Growth (%)	13.8

Risk Metrics

Beta	0.57
Alpha	2.7
Sharpe Ratio	0.57
Volatility (%)	14.1
% of the portfolio which could be sold in 2 business days	89.9

Thematic Breakdown (%)

Infrastructure / Logistics / Property	21.8	<div></div>
Local Brands	12.9	<div></div>
Automation / Internet of Things	11.6	<div></div>
Leisure / Tourism	10.6	<div></div>
Financialisation	9.5	<div></div>
Internet	9.3	<div></div>
Reform	7.2	<div></div>
Healthcare	6.8	<div></div>
Telecomms	5.8	<div></div>
Cash	2.3	<div></div>
Fashion Tech	2.1	<div></div>

Geographical Breakdown (%)

Hong Kong / China	44.9	<div></div>
Korea	16.5	<div></div>
India	8.4	<div></div>
Taiwan	6.8	<div></div>
Vietnam	6.7	<div></div>
Thailand	5.8	<div></div>
Australia	3.8	<div></div>
Singapore	2.8	<div></div>
Cash	2.3	<div></div>
Indonesia	2.0	<div></div>

All data as at 31.01.15. 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 (MXAJP) 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	204.76
B USD Unhedged Distributing	B0M9LL2	IE00B0M9LL22	204.88
C GBP Hedged Distributing	B18RM25	IE00B18RM256	112.01
D SGD Hedged Distributing	B3LYLK8	IE00B3LYLK86	282.09

Performance fee based on individual investor's holding

U GBP Unhedged Distributing	BBQ37S6	IE00BBQ37S60	118.42
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Performance fee based on fund performance as a whole

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