

# Prusik Asia Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

28 February 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)	89.2m
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	0.07	0.01	0.09
3 Month	0.14	0.30	0.31
Year to Date	1.65	1.72	1.77
Since Launch	104.91	62.23	13.34
Since Launch †	7.93	5.77	2.48

Source: Bloomberg.

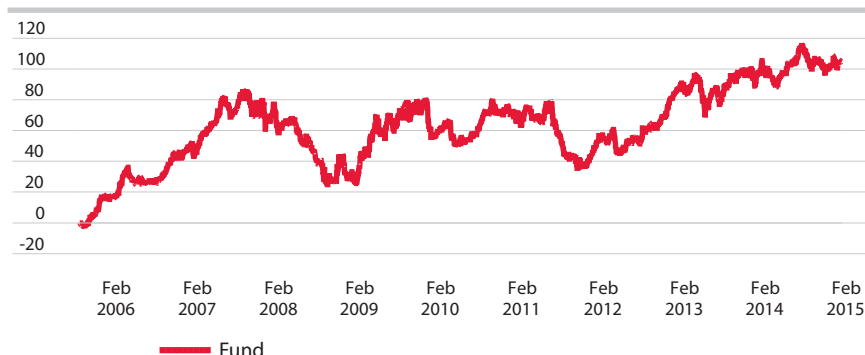
Launch Date: A: 07.10.05, C: 14.07.06, D: 15.01.10

† 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

In February the fund was flat against a slightly stronger index. The main reason for the relative underperformance was our extremely low weighting in Australia which rose 6.9% over the month. Encouragingly, two of our new positions started to perform well, namely Indian property company **Obero Realty** and **Shenzhou International**, which is benefitting from the trend towards technical clothing and sports/fashion wear.

Following our extensive travels to Asia this year we can see two clear trends emerging, both of which are likely to be good for Asian stock markets. We are currently repositioning the fund to take more advantage of these trends.

Firstly we can see that interest rates in India, Indonesia and Vietnam could well fall substantially from here. Although we have already seen cuts in India and Indonesia recently, inflation remains fairly low (around 5% or less) and appears to be falling in all three countries, whilst local corporate lending rates are still in double digit territory. Interest rate cuts are likely to spur a new upswing in property and eventually bank lending. We are seeing the early signs of this in Indonesia, India and Vietnam.

Secondly, we are witnessing a big increase in local investor interest in equities. Partly this is being facilitated by a new generation of online "fund supermarkets" catering to smaller investors, as well as an increase in online trading at local stock brokers. However, it also reflects the growing middle class who not only have money now to travel but are also looking to save more "smartly". Local buying has been one of the drivers for the strong stock market performance in Thailand and the Philippines in the last year.

All data as at 28.02.15. Source: Prusik Investment Management LLP, unless otherwise stated.

# Prusik Asia Fund



## Top 5 Holdings (%)

Hutchison Telecommunications	3.5
AIA Group	3.5
Siam Cement	3.3
Shenzhou International Group	3.2
Bank Rakyat Indonesia	3.1
Total Number of Holdings	42

## Portfolio Financial Ratios

Predicted Price/Earnings Ratio	15.1x
Predicted Return on Equity (%)	18
Predicted Earnings Growth (%)	18.8

## Risk Metrics

Beta	0.56
Alpha	2.6
Sharpe Ratio	0.57
Volatility (%)	14.0
% of the portfolio which could be sold in 2 business days	79.6

## Thematic Breakdown (%)

Infrastructure / Logistics / Property	24.1	<div></div>
Financialisation	15.0	<div></div>
Local Brands	14.4	<div></div>
Leisure / Tourism	11.4	<div></div>
Internet	9.6	<div></div>
Automation / Internet of Things	9.2	<div></div>
Telecomms	6.5	<div></div>
Healthcare	4.3	<div></div>
Reform	2.0	<div></div>
Fashion Tech	2.0	<div></div>
Cash	1.6	<div></div>

## Geographical Breakdown (%)

Hong Kong / China	37.8	<div></div>
Korea	13.0	<div></div>
India	11.0	<div></div>
Vietnam	9.6	<div></div>
Indonesia	9.5	<div></div>
Taiwan	7.4	<div></div>
Thailand	6.0	<div></div>
Singapore	2.6	<div></div>
Cash	1.6	<div></div>
Australia	1.5	<div></div>

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## 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	204.91
B USD Unhedged Distributing	B0M9LL2	IE00B0M9LL22	205.03
C GBP Hedged Distributing	B18RM25	IE00B18RM256	112.02
D SGD Hedged Distributing	B3LYLK8	IE00B3LYLK86	282.33

Performance fee based on individual investor's holding

U GBP Unhedged Distributing	BBQ37S6	IE00BBQ37S60	116.05
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Performance fee based on fund performance as a whole

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