

# Prusik Asian Smaller Companies Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 May 2015

## Monthly Fund Fact Sheet

### Investment Objective

To preserve capital and generate absolute returns over a full economic cycle by investing primarily in Small Cap companies in Asia Pacific Ex-Japan, whilst maintaining portfolio volatility significantly below the peer group.

### Fund Facts

Fund Size (USD)	87.8m
Launch Date	8 February 2008
Fund Manager	Heather Manners
Fund Structure	UCITS III
Domicile	Dublin
Currencies	USD (base), GBP, SGD

### Performance (%)

	A USD	C GBP	D SGD
1 Month	1.21	1.32	0.84
3 Month	6.32	6.45	5.76
Year to Date	7.54	7.70	7.13
Since Launch	71.63	75.19	25.53
Since Launch <sup>†</sup>	7.67	7.98	4.33

Source: Bloomberg.

Launch Date: A: 08.02.08, C: 25.03.08, D: 15.01.10

<sup>†</sup>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 May PASC rose 1.2% while the index fell 2.6%. Our Hong Kong listed China companies did best, led by subway designer **Beijing Urban Construction Design & Development Group Co** and smartphone case maker, **Tongda Group Holdings Ltd**. Our newer theme, "financialisation", also started to perform well and Singapore listed **IFAST Corp Ltd**, a platform, robo-advice company, was amongst our top performers this month.

All eyes are now on China where the stock market is universally being described as a bubble. However, amidst the avalanche of scepticism, it is worth remembering the words of billionaire investor Stan Druckenmiller, "Whenever I see a stock market explode, 6-12 months later you are in full blown recovery." Indeed, the stock market has added such vigour to the short term economy that property sales jumped 28% last month. While a property recovery may be short lived, there are plenty of other bright spots in the economy. For example, as we have written before, reform is in full swing with the latest policy moves including pension reform whereby 40 million state workers will receive fully funded pensions equating to a staggering RMB 20 trillion or 12% go GDP. Steps are also being taken towards deregulating interest rates. Finally, we believe it is only a matter of time before China comprises a significant percentage of the MSCI Asia Index.

We are also very interested in financial reforms elsewhere in Asia and believe that the savings industry there is poised for explosion. On this basis "financialisation" in Asia is currently one of our favourite themes.

All data as at 31.05.15. Source: Prusik Investment Management LLP, unless otherwise stated.

# Prusik Asian Smaller Companies Fund



## Top 5 Holdings (%)

iFAST Corporation	6.1
Toung Loong Textile	4.9
Interpark Corporation	4.7
Jiangnan Group Limited	4.5
Tongda Group Holdings	4.4
Total Number of Holdings	31

## Portfolio Financial Ratios

Predicted Price/Earnings Ratio	14.6x
Predicted Return on Equity (%)	21.0
Predicted Earnings Growth (%)	23.6

## Risk Metrics

Beta	0.54
Alpha	5.2
Sharpe Ratio	0.56
Volatility (%)	13.8
% of the portfolio which could be sold in 2 business days	46.6

## Thematic Breakdown (%)

Leisure / Tourism	19.6	
Automation / Internet of Things	15.9	
Financialisation	13.9	
Software / Smartphones	10.5	
Vietnam	10.3	
Brands / Beauty	10.0	
Telecoms / Infrastructure / Logistics	8.5	
Environment	5.2	
Smart Textiles	4.9	
Cash	1.2	

## Geographical Breakdown (%)

Hong Kong / China	27.5	
Vietnam	13.2	
India	10.5	
Singapore	10.4	
Korea	8.4	
Philippines	8.2	
Thailand	7.5	
Taiwan	6.7	
Malaysia	2.4	
Australia	2.3	
Sri Lanka	1.8	
Cash	1.2	

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## Management Fees

### Annual Management Fee

1.5% p.a. Paid monthly in arrears

### Performance Fee

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

Class U: 10% NAV appreciation with a 1.5% hurdle, quarterly

## Dealing

Dealing Line	+353 1 603 6490
Administrator	Brown Brothers Harriman (Dublin)
Dealing Frequency	Weekly, Friday
Min. Initial Subscription	USD 10,000
Subscription Notice	2 business days
Redemption Notice	2 business days

## Share Class Details

Share Class	Sedol	ISIN	Month-end NAV
A USD Unhedged Non distributing	B2PKN21	IE00B2PKN210	171.63
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	171.74
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	89.96
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	235.32

Performance fee based on individual investor's holding

U GBP Unhedged Distributing	BBQ37T7	IE00BBQ37T77	102.82
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Performance fee based on fund performance as a whole

All share classes are closed to new investors as of 30th September 2013.

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