

Prusik Asia Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 July 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)	76.7m
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	-3.40	-3.44	-3.21
3 Month	-6.08	-5.68	-5.49
Year to Date	0.57	0.92	0.99
Since Launch	102.73	60.96	12.48
Since Launch †	7.46	5.40	2.14

Source: Bloomberg.

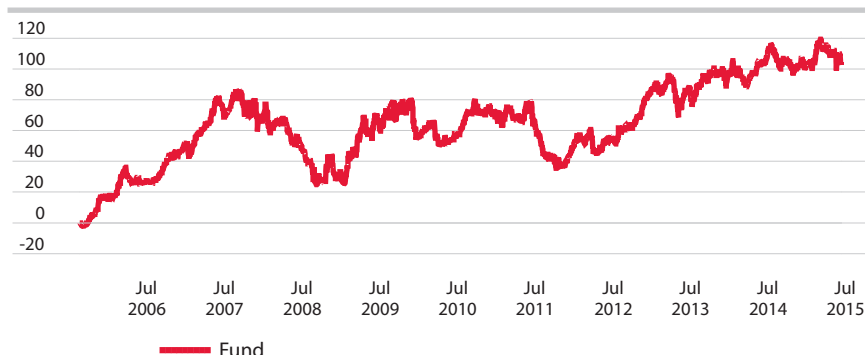
Launch Date: A: 07.10.05, C: 14.07.06, D: 15.01.10

† 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 stock markets were weak in July, weighed down again by fears of a slowdown in China. As a result, the fund fell 3.4% which compares well with the index which fell 5.0%. Amongst the detractors for the month was Chinese insurance company, **China Taiping Insurance Holdings**, which sits within our financialisation theme and which we still like. Semiconductor related companies, notably test equipment maker, **Hermes Microvision**, were weak on the back of the slowing pace of smartphone sales. In the case of **Hermes**, which has a well entrenched competitive position, the company still anticipates several years of strong sales ahead.

On the positive side, Vietnam was a big contributor. We also continued to see very strong performance from our smart textiles theme, with Hong Kong listed companies, **Shenzhou International** and our newer holding, **Texwinca Holdings**, leading the way. Vietnamese insurance company **Bao Viet Holdings** also had a very good month.

We took advantage of the MERS outbreak in Korea to buy **Hotel Shilla**. **Hotel Shilla** is the leading duty free shop operator in Korea and as such is a direct beneficiary of the Chinese outbound travel – as well as consumption. Recent Chinese visitor arrivals to Korea have topped 50% year on year growth. The latest development for **Hotel Shilla** is that it has been awarded a new license as part of a joint venture with **Hyundai Development Corp**. The impact of this is very positive, potentially doubling the company's floor space, and enhancing its economies of scale.

Finally, we are delighted to announce we have a new analyst on the Prusik team. Matthew Zhao is from Beijing and read Mathematics at Cambridge. He will work on ideas across the region, but will be of particular help in analysing Chinese companies, which will soon be by far the largest market in the region.

All data as at 31.07.15. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asia Fund



Top 5 Holdings (%)

Shenzhou International Group	4.9
AIA Group Ltd	4.5
JD.com Inc	4.0
Texwinca Holdings Ltd	3.8
Pacific Textiles Ltd	3.7
Total Number of Holdings	34

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	16.4x
Predicted Return on Equity (%)	16.5

Risk Metrics

Beta	0.57
Alpha	2.63
Sharpe Ratio	0.54
Volatility (%)	13.89
% of the portfolio which could be sold in 2 business days	85.87

Thematic Breakdown (%)

Smart Textiles	20.6	
Vietnam	14.7	
Telecoms	13.5	
Financialisation	10.7	
Infrastructure / Logistics / Property	10.1	
Internet	8.1	
Local Brands	7.4	
Leisure / Tourism	6.8	
Cash	3.2	
Automation / Internet of Things	2.7	
Healthcare	2.2	

Geographical Breakdown (%)

Hong Kong / China	44.0	
Vietnam	14.7	
Taiwan	10.9	
Korea	8.5	
India	7.1	
Cash	3.2	
Singapore	2.9	
Thailand	2.7	
Indonesia	2.3	
Philippines	2.3	
Australia	1.4	

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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 (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	202.73
B USD Unhedged Distributing	B0M9LL2	IE00B0M9LL22	202.86
C GBP Hedged Distributing	B18RM25	IE00B18RM256	111.14
D SGD Hedged Distributing	B3LYLK8	IE00B3LYLK86	280.17

Performance fee based on individual investor's holding

U GBP Unhedged Distributing	BBQ37S6	IE00BBQ37S60	113.60
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Performance fee based on fund performance as a whole

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