

Prusik Asia Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 August 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)	71.6m
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	-7.67	-7.41	-7.30
3 Month	-12.44	-12.13	-11.83
Year to Date	-7.15	-6.56	-6.38
Since Launch	87.18	49.04	4.27
Since Launch †	6.53	4.46	0.75

Source: Bloomberg.

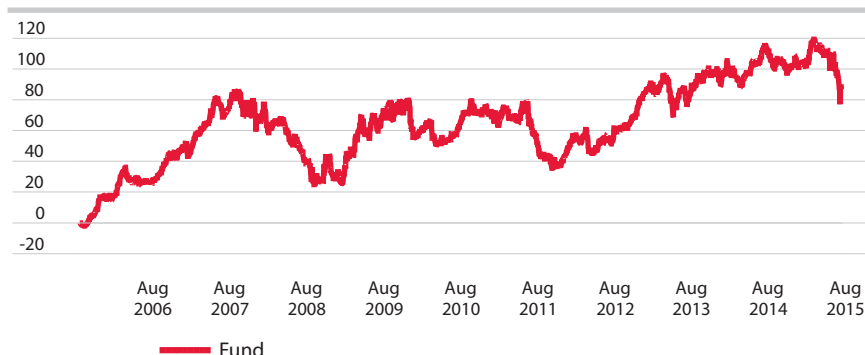
Launch Date: A: 07.10.05, C: 14.07.06, D: 15.01.10

† 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 August global markets fell hard as investors simultaneously panicked about slowing growth in China and the possibility of the US raising interest rates. In Asia, stocks fell across the board, leaving the MXAPJ index down 10.1% in August. The Prusik Asia Fund fell 7.7%, outperforming by 2.4%, which also leaves the fund 4.3% ahead of the index year to date. The fund performance was supported by good performance from our smart textiles themes and Thailand in August.

This has been one of the more interesting sharp corrections, not only because it appears to be less substantiated by fact than fear – at least so far – but also because it has left valuations at historically quite remarkable levels. Indeed, at the time of writing, the price to book ratio for the MXAPJ index is hovering at just 3% above the low reached in the 2008 global financial crisis. Analysing the statistics from the past, this is an extraordinarily good level to invest in Asia on a one to two year view. We would also note that investors' underweight position in Emerging Markets is the largest it has been in the last 15 years.

In light of this, it is difficult to justify holding cash when valuations are so attractive and our individual themes and stocks are showing such good growth. For example, reported operating profit for stocks in the fund rose by 19% on average in the first half of 2015, with our China and Hong Kong portfolio delivering 36% operating average profit growth. Pitched against recent share price moves, this suggests that when sentiment recovers the upside could be very worthwhile.

Should the volatility continue, we will look for opportunities to 'upgrade' the portfolio as high quality stocks on previously unattractive valuations may become sufficiently cheap. Our search is focused on stocks within our 'financialisation' theme in particular as results in this sector, especially results for the Chinese insurance companies, have been noticeably strong.

All data as at 31.08.15. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asia Fund



Top 5 Holdings (%)

Shenzhou International	5.1
Beijing Capital International Airport	4.2
AIA Group Ltd	4.1
Pacific Textiles Holdings Ltd	3.6
Hutchison Telecoms Hong Kong Holdings	3.5
Total Number of Holdings	34

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	15.0x
Predicted Return on Equity (%)	17.1

Risk Metrics

Beta	0.57
Alpha	2.36
Sharpe Ratio	0.47
Volatility (%)	13.94
% of the portfolio which could be sold in 2 business days	84.15

Thematic Breakdown (%)

Smart Textiles	20.8	<div></div>
Vietnam	17.4	<div></div>
Telecoms	13.3	<div></div>
Infrastructure/Logistics/Property	10.1	<div></div>
Financials	10.1	<div></div>
Internet	7.6	<div></div>
Leisure/Tourism	7.3	<div></div>
Local Brands	7.1	<div></div>
Automation/Internet of Things	2.4	<div></div>
Healthcare	2.2	<div></div>
Cash	1.6	<div></div>

Geographical Breakdown (%)

Hong Kong/China	42.6	<div></div>
Vietnam	17.4	<div></div>
Taiwan	11.4	<div></div>
Korea	8.7	<div></div>
India	6.4	<div></div>
Thailand	3.2	<div></div>
Singapore	2.8	<div></div>
Philippines	2.3	<div></div>
Indonesia	2.2	<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 (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	187.18
B USD Unhedged Distributing	B0M9LL2	IE00B0M9LL22	187.30
C GBP Hedged Distributing	B18RM25	IE00B18RM256	102.91
D SGD Hedged Distributing	B3LYLK8	IE00B3LYLK86	259.73

Performance fee based on individual investor's holding

U GBP Unhedged Distributing	BBQ37S6	IE00BBQ37S60	105.71
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Performance fee based on fund performance as a whole

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