

# Prusik Asia Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

30 November 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)	68.3m
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	-0.60	-0.45	-0.50
3 Month	4.64	4.79	4.87
Year to Date	-2.84	-2.08	-1.82
Since Launch	95.86	56.18	9.35
Since Launch †	6.84	4.86	1.53

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 Prusik Asia Fund fell 0.6% in November, outperforming the MXAPJ index by 1.8%. The major positive contributors mainly came from our Hong Kong and China portfolios. In particular, our Hong Kong listed smart textiles companies, which currently make up 12% of the fund and include **Shenzhou International** and **Pacific Textiles**, were strong. Our recent trip to Taiwan to visit companies in this sector confirmed that the leading players are still seeing very good orders, not only from both the sportswear brands, but also increasingly from mainstream casual wear brands. This is the next stage of growth that we expect for the smart textile companies as casual wear will increasingly use smart textiles. This was especially brought home to us when we were shown some of the colours the yarn makers were producing, including flamingo pink! According to industry experts, these new fabric colours are literally impossible to reproduce using basic cotton.

Elsewhere, the internet companies in China were also strong and recent investments we have made in this sector, **Ctrip.com** and **Baidu**, were amongst the better performers, along with our long term holding in **JD.com**. In many cases the valuations in this sector are no longer eye watering and yet the growth remains well above average and well above our 'anomaly' threshold of 20% per annum.

On the negative side, Vietnam corrected in November after gaining good ground since August, but we remain positive. Whilst in Korea we learned that out of the 350 million handsets Samsung Electronics currently makes, 150 million are made in China and 150 million are made in Vietnam. By 2018 Samsung Electronics is planning to produce 500 million handsets but make just 100 million in China and 350 million in Vietnam! This example may sound trite, but in a nutshell it is a good example of why Vietnam's future remains bright.

All data as at 30.11.15. Source: Prusik Investment Management LLP, unless otherwise stated.

# Prusik Asia Fund



## Top 5 Holdings (%)

Shenzhou International Group	5.5
AIA Group Ltd	4.6
Beijing Capital International Airport	4.5
Pacific Textiles Holdings Ltd	4.1
JD.com Inc	4.1
Total Number of Holdings	31

## Portfolio Financial Ratios

Predicted Price/Earnings Ratio	16.4x
Predicted Return on Equity (%)	16.8

## Risk Metrics

Beta	0.57
Alpha	2.62
Sharpe Ratio	0.49
Volatility (%)	13.94
% of the portfolio which could be sold in 2 business days	84.54

## Thematic Breakdown (%)

Vietnam	19.2	
Smart Textiles	18.1	
Infrastructure/Logistics/Property	13.6	
Financials	12.1	
Leisure/Tourism	8.8	
Internet	8.3	
Telecoms	7.3	
Cash	4.0	
Electric Car	3.4	
Healthcare	2.8	
Local Brands	2.4	

## Geographical Breakdown (%)

Hong Kong/China	49.9	
Vietnam	19.2	
Taiwan	5.8	
India	4.7	
Cash	4.0	
Korea	3.4	
Thailand	3.2	
Singapore	2.9	
Indonesia	2.8	
Philippines	2.4	
Australia	1.6	

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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	195.86
B USD Unhedged Distributing	B0M9LL2	IE00B0M9LL22	195.98
C GBP Hedged Distributing	B18RM25	IE00B18RM256	107.84
D SGD Hedged Distributing	B3LYLK8	IE00B3LYLK86	272.38

Performance fee based on individual investor's holding

U GBP Unhedged Distributing	BBQ37S6	IE00BBQ37S60	113.25
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Performance fee based on fund performance as a whole

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