Prusik Asia Fund

Long Only Absolute Return Investing in Asia

PRUSIK

31 January 2014
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)	66.6m
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	-3.15	-3.15	-3.09
3 Month	-0.64	-0.81	-0.76
Year to Date	-3.15	-3.15	-3.09
Since Launch	93.15	52.06	6.56
Since Launch †	8.23	5.70	1.58

Source: Bloomberg.

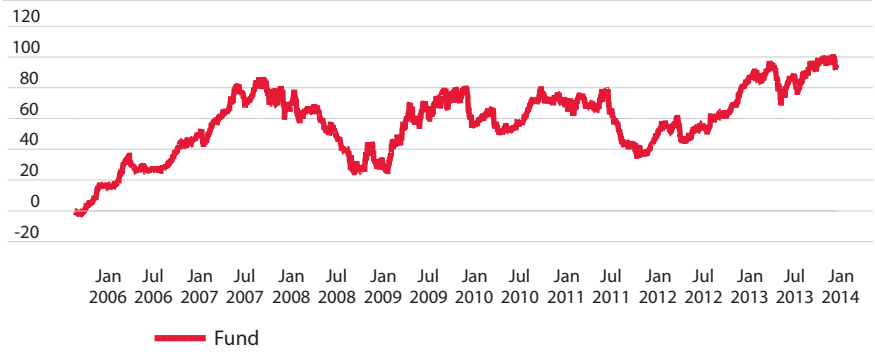
Launch Date: A: 07.10.05, C: 14.07.06, D: 15.01.10

†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

January was arguably a very instructive month for Asia. The most positive contributor to the fund's performance was the weighting in Vietnam, lead by local snack food brand **Kinh Doh Bakery**. Travel related stocks, **Travelsky** (airplane ticket booking in China) and **Hotel Shilla** (duty free shopping in Korea), were also helpful. However, what was most notable was the continuation of the 'two tier' pattern of returns where some stocks did very well whilst others languished. We believe this pattern will prevail into 2014, making life difficult for index investors. One of the major drivers of positive returns – even for traditional business models - is likely to be the influence and incorporation of the 'new' economy, namely expanding online, data analysis, automation and machine to machine communications (Internet of Things).

After 3 years of flattish returns for the MXAPJ we can understand why some investors might be persuaded to give up on the region. However, with the MXAPJ on a Price/Book of 1.5x, we are within the bottom 20% of historical valuation levels. Indeed, Asia rarely trades below 1.4x except in times of crisis. The fund's forward earnings growth is currently estimated at 30.9%. This reflects our exposure to the fastest growing themes and trends in Asia, which are driven by structural change rather than the economic cycle, and our ability to invest easily in the $1-10 billion market cap range of companies.

All data as at 31.01.14. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Investment Management LLP
1st Floor 46 Hays Mews
London W1J 5QD

Mark Dwerryhouse
Tel: +44 (0)20 7297 6854
Mob: +44 (0)7831 856 066

Nazinna Douglas
Tel: +44 (0)20 7493 1331
Fax: +44 (0)20 7493 1770

Web: www.prusikim.co.uk
Email:enquiries@prusikim.co.uk

Prusik Asia Fund

Top 5 Holdings (%)

Kinh Do Corporation	4.7
Haier Electronics	4.0
Baidu	3.6
Hotel Shilla	3.5
Cheung Kong Holdings	3.4
Total Number of Holdings	38

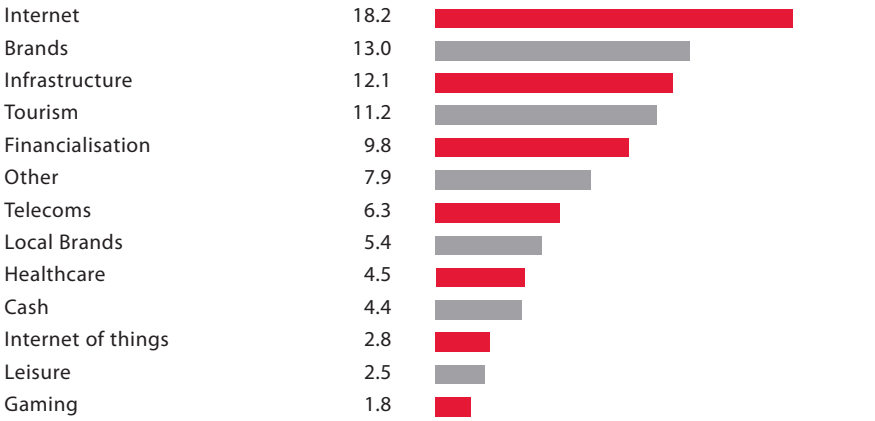
Portfolio Financial Ratios

Predicted Price/Earnings Ratio	13.0x
Predicted Return on Equity (%)	16.6
Predicted Earnings Growth (%)	30.9

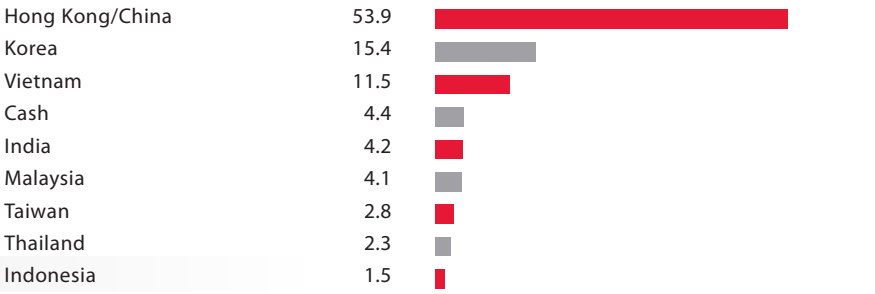
Risk Metrics

Beta	0.57
Alpha	3.0
Sharpe Ratio	0.57
Volatility (%)	14.5
% of the portfolio which could be sold in 2 business days	91.1

Thematic Breakdown (%)



Geographical Breakdown (%)



All data as at 31.01.14. Source: Prusik Investment Management LLP, unless otherwise stated.

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 4367 200
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	193.15
B USD	Unhedged	Distributing	B0M9LL2	IE00B0M9LL22	193.36
C GBP	Hedged	Distributing	B18RM25	IE00B18RM256	105.00
D SGD	Hedged	Distributing	B3LYLK8	IE00B3LYLK86	265.43
Performance fee based on individual investor's holding					
N USD	Unhedged	Non distributing	B3LP510	IE00B3LP5101	193.33
O USD	Unhedged	Distributing	B3M40N3	IE00B3M40N30	185.79
P GBP	Hedged	Distributing	B3MWDD8	IE00B3MWDD86	103.43
Performance fee based on fund performance as a whole					
U GBP	Unhedged	Distributing	BBQ37S6	IE00BBQ37S60	101.36
Performance fee based on fund performance as a whole					

This document is issued by Prusik Investment Management LLP and is for private circulation and information purposes only. Prusik Investment Management LLP is authorised and regulated by the Financial Conduct Authority in the United Kingdom. The information contained in this document is strictly confidential and does not constitute investment advice, nor an offer or solicitation to buy or sell any securities and or derivatives or to make any investment decision and may not be reproduced, distributed or published by any recipient for any purpose without the prior written consent of Prusik Investment Management LLP.

The value of investments and any income generated may go down as well as up and is not guaranteed. You may not get back the amount originally invested. Past performance is not a guide to, or indicative of, future results. Changes in exchange rates may have an adverse effect on the value, price, or income of investments.

The information and opinions contained in this document are for background purposes only, and do not purport to be full or complete. Please refer to the fund prospectus for more detail. The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors and investors alike should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of shares under the laws of the jurisdictions in which they may be subject to tax. No representation, warranty, or undertaking, express or limited, is given as to the accuracy or completeness of the information or opinions contained in this document by any of Prusik Investment Management LLP, its partners or employees and no liability is accepted by such persons for the accuracy or completeness of any such information or opinions. As such, no reliance may be placed for any purpose on the information and opinions contained in this document.