

Prusik Asia Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

30 April 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)	75.4m
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	-3.44	-3.44	-3.45
3 Month	-1.06	-1.08	-1.09
Year to Date	-4.18	-4.18	-4.14
Since Launch	91.10	50.43	5.40
Since Launch [†]	7.85	5.37	1.23

Source: Bloomberg.

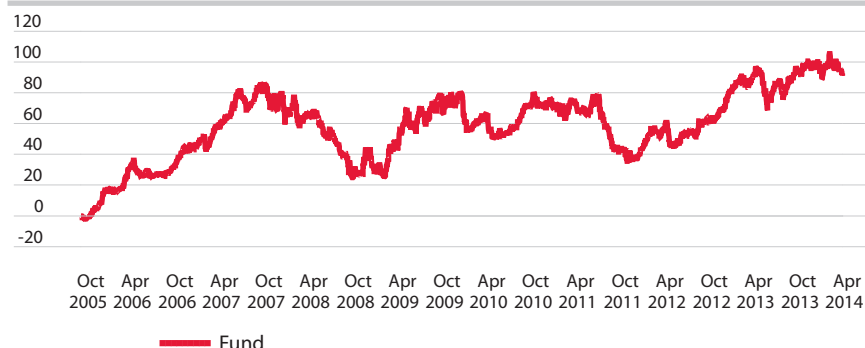
Launch Date: A: 07.10.05, C: 14.07.06, D: 15.01.10

[†]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

April was a very difficult month for growth stocks which were sold heavily across the board. This impacted the portfolio and those most severely affected were internet and technology companies. We have spent most of the month trying to ascertain whether there is any fundamental basis to this sell-off and find little, at stock level, to be concerned about or which makes us want to change our positioning. Major fears seem to be stemming from political situations outside of Asia and general fears over China's slowing economy.

We have reduced some but not all of our exposure to growth, selling **Haier**, **Netease**, **Qihoo** and **Richtek** and adding more to defensives such as **PCCW**, **AIA**, **Siam Cement** and **CLP Holdings**. At the time of writing, the extent of the falls and some of the subsequent valuations are starting to look attractive again. This has not gone unnoticed at the corporate level and we are now seeing major share-buybacks, director buying and M&A announcements. Most notably, in the internet sector, Alibaba announced a \$1.2billion strategic purchase of shares in **Youku** (Chinese You Tube) at a 20% premium!

While it is always difficult to argue that this time is different, as May approaches, we do highlight four differences between this year and the past four years:

- MSCI Asia ex-Japan's current price-to-book at 1.55x is the lowest of the last five years.
- The price-to-book gap between MSCI Asia ex-Japan and the World at -0.48x is the biggest of the last five years.
- Macro data appears to be bottoming earlier than in the last five years.
- Net foreign buying in Asia, on a rolling 12-months basis, is the second lowest of the last five years.

All data as at 30.04.14. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asia Fund



Top 5 Holdings (%)

PCCW	3.7
Coway Co. Ltd	3.6
Hotel Shilla	3.5
Cheung Kong Holdings	3.5
AIA Group	3.3
Total Number of Holdings	44

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	13.3x
Predicted Return on Equity (%)	17.3
Predicted Earnings Growth (%)	26

Risk Metrics

Beta	0.57
Alpha	3.0
Sharpe Ratio	0.60
Volatility (%)	14.5
% of the portfolio which could be sold in 2 business days	94.0

Thematic Breakdown (%)

Telecoms / Infrastructure / Logistics	21.5	
Local Brands	16.8	
Automation / Internet of things	15.8	
Financialisation	11.8	
LED / Cloud Computing / Software	10.3	
Internet	8.3	
Leisure / Tourism	7.8	
Cash	5.7	
Healthcare	2.0	

Geographical Breakdown (%)

Hong Kong/China	40.4	
Taiwan	13.9	
Korea	11.5	
India	10.0	
Vietnam	9.6	
Cash	5.7	
Thailand	3.1	
Malaysia	2.3	
Australia	2.0	
Indonesia	1.4	

All data as at 30.04.14. 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 1 603 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	191.10
B USD Unhedged Distributing	B0M9LL2	IE00B0M9LL22	191.38
C GBP Hedged Distributing	B18RM25	IE00B18RM256	103.87
D SGD Hedged Distributing	B3LYLK8	IE00B3LYLK86	262.55

Performance fee based on individual investor's holding

N USD Unhedged Non distributing	B3LP510	IE00B3LP5101	191.29
O USD Unhedged Distributing	B3M40N3	IE00B3M40N30	183.82
P GBP Hedged Distributing	B3MWDD8	IE00B3MWDD86	100.40

Performance fee based on fund performance as a whole

U GBP Unhedged Distributing	BBQ37S6	IE00BBQ37S60	98.47
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Performance fee based on fund performance as a whole

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