

# Prusik Asia Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

30 May 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)	79.1m
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	2.15	2.18	2.14
3 Month	-1.92	-1.86	-1.96
Year to Date	-2.12	-2.10	-2.09
Since Launch	95.20	53.70	7.66
Since Launch †	8.04	5.60	1.70

Source: Bloomberg.

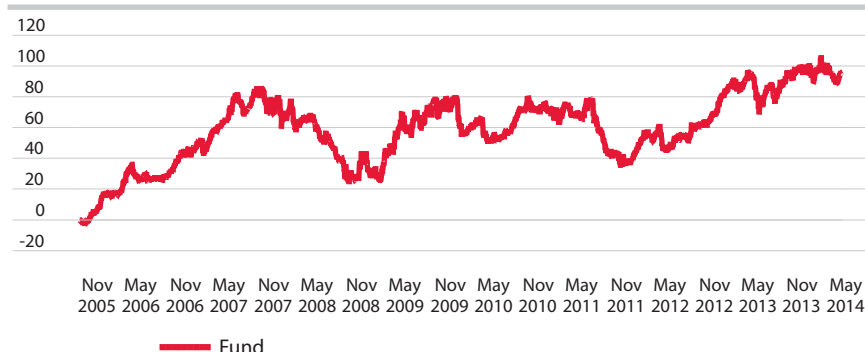
Launch Date: A: 07.10.05, C: 14.07.06, D: 15.01.10

† 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

Against seasonal expectations, May was quite a strong month for Asian markets. India led the way after the outstanding election result for reformist Modi. This market has performed well since last autumn in expectation of this outcome but has continued to make new highs post the election amidst an avalanche of increasingly optimistic forecasts. Our 12% weighting in this market has served us well.

Other positive contributors to this month included **Hotel Shilla**, which runs duty free shops in Korea. Sentiment for the stock benefitted from news that the number of Chinese visitors to Korea rose by 53% in March! This impressive data point also underlines our ongoing enthusiasm for the regional tourism theme.

Meanwhile, in Taiwan, a newer holding, **Kinsus Interconnect Technology Corp**, was a strong contributor. **Kinsus** is a beneficiary of strong smartphone demand and the increasing use of biometric devices, which are likely to become increasingly common as the Internet of Things phenomenon spreads.

Areas which have not done so well in the recent months include Vietnam and technology, especially the internet companies. In Vietnam the sharp correction began in April, sparked by a clash with China over some disputed islands. This now appears to have blown over, leaving the index 15% off its April peak and offering an excellent buying opportunity for those looking to buy before the government raises foreign ownership limits.

Meanwhile the internet companies found some stability in May. News flow here continues to point to outstanding growth and so we also expect this sector to start to move ahead vigorously in the second half of the year.

All data as at 30.05.14. Source: Prusik Investment Management LLP, unless otherwise stated.

# Prusik Asia Fund



## Top 5 Holdings (%)

Coway Co. Ltd	3.7
Hotel Shilla	3.7
PCCW	3.6
Cheung Kong Holdings	3.5
AIA Group	3.3
Total Number of Holdings	45

## Portfolio Financial Ratios

Predicted Price/Earnings Ratio	13.8x
Predicted Return on Equity (%)	16.1
Predicted Earnings Growth (%)	17.4

## Risk Metrics

Beta	0.57
Alpha	2.3
Sharpe Ratio	0.56
Volatility (%)	14.4
% of the portfolio which could be sold in 2 business days	94.1

## Thematic Breakdown (%)

Telecoms/ Infrastructure / Logistics	29.7	
Automation/ Internet of things	15.3	
Local Brands	14.8	
Financialisation	11.3	
Leisure/Tourism	7.8	
LED/Cloud Computing/Software	7.0	
Internet	5.6	
Food	3.1	
China Restructuring	3.0	
Healthcare	2.0	
Cash	0.5	

## Geographical Breakdown (%)

Hong Kong/China	42.3	
Taiwan	12.3	
India	10.4	
Korea	10.0	
Vietnam	9.1	
Thailand	6.6	
Singapore	3.1	
Malaysia	2.3	
Australia	2.0	
Indonesia	1.4	
Cash	0.5	

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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 (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	195.20
B USD Unhedged Distributing	B0M9LL2	IE00B0M9LL22	195.48
C GBP Hedged Distributing	B18RM25	IE00B18RM256	106.13
D SGD Hedged Distributing	B3LYLK8	IE00B3LYLK86	268.16

Performance fee based on individual investor's holding

U GBP Unhedged Distributing	BBQ37S6	IE00BBQ37S60	101.11
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Performance fee based on fund performance as a whole

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