

Prusik Asia Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

29 August 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)	97.7m
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	4.20	4.31	4.19
3 Month	9.46	9.52	9.42
Year to Date	7.14	7.21	7.13
Since Launch	113.67	68.33	17.79
Since Launch †	8.90	6.61	3.60

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

August was a good month for the portfolio which rose 4.2% versus the MXAPJ index rise of 0.9%. Our stocks in Vietnam were amongst the better performers as sentiment there recovered post the geopolitical spat with China earlier in the summer. Elsewhere, reform stocks in both China and Korea, which we discussed in last month's report, continued to do well. India also held a steady course with the fund's auto exposure in particular having a strong month.

At the start of the month we significantly increased our weighting in Korea to 18.2%. This was in response to the recently announced reforms. In short, the proposed new government policy is aimed at transferring cash from company balance sheets to the hands of consumers. The net impact will be far reaching, not just in terms of a possible boost to the flagging domestic consumption picture, but also in terms of the potential for companies to increase dividend payments. More efficient capital allocation by corporates could also be a by-product. All these factors should be very positive for the market.

Meanwhile, in August, Korean mortgage loan growth jumped nearly 50% year on year! In order to gain exposure to this cyclical recovery we have taken a small position in Korean banks which are trading on just 0.6x price to book. The telecom stocks are also facing a bright future owing to a more benign competitive environment and falling marketing costs.

Over the summer the Asian index has crept up, breaking the three year "dead patch" of performance and signalling, in our opinion, that now is the time to review Asia in global portfolios.

All data as at 29.08.14. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asia Fund



Top 5 Holdings (%)

PCCW	3.4
Kinh Do Corporation	3.2
Coway Co. Ltd	3.0
AIA Group	2.9
PetroChina	2.9
Total Number of Holdings	46

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	14.0x
Predicted Return on Equity (%)	15.4
Predicted Earnings Growth (%)	19.7

Risk Metrics

Beta	0.57
Alpha	2.9
Sharpe Ratio	0.62
Volatility (%)	14.3
% of the portfolio which could be sold in 2 business days	95.7

Thematic Breakdown (%)

Telecoms / Infrastructure / Logistics	21.8	<div></div>
Reform	17.7	<div></div>
Automation / Internet of things	13.3	<div></div>
Financialisation	10.2	<div></div>
Local Brands	8.5	<div></div>
Food	7.4	<div></div>
Leisure / Tourism	6.2	<div></div>
Internet	6.1	<div></div>
LED / Cloud Computing / Software	4.0	<div></div>
Cash	2.8	<div></div>
Brands / Beauty	2.1	<div></div>

Geographical Breakdown (%)

Hong Kong / China	43.9	<div></div>
Korea	18.2	<div></div>
Taiwan	8.7	<div></div>
Vietnam	8.7	<div></div>
India	7.4	<div></div>
Thailand	5.1	<div></div>
Cash	2.8	<div></div>
Singapore	2.5	<div></div>
Australia	1.4	<div></div>
Indonesia	1.2	<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 (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	213.67
B USD Unhedged Distributing	B0M9LL2	IE00B0M9LL22	213.80
C GBP Hedged Distributing	B18RM25	IE00B18RM256	116.23
D SGD Hedged Distributing	B3LYLK8	IE00B3LYLK86	293.41

Performance fee based on individual investor's holding

U GBP Unhedged Distributing	BBQ37S6	IE00BBQ37S60	112.60
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Performance fee based on fund performance as a whole

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