

Prusik Asia Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 December 2014

Quarterly 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)	92.8m
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	-1.48	-1.39	-1.43
3 Month	-1.66	-1.37	-1.51
2014	1.08	1.59	1.29
Since Launch	101.59	59.49	11.38
Since Launch [†]	7.88	5.66	2.19

Source: Bloomberg.

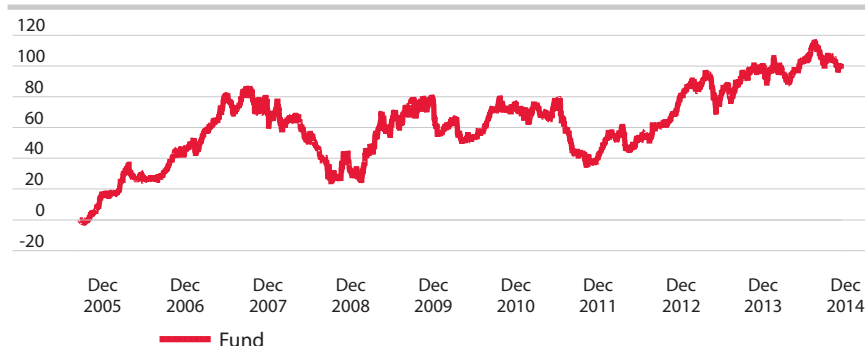
Launch Date: A: 07.10.05, C: 14.07.06, D: 15.01.10

[†]Annualised Since Launch Performance

Investment Process

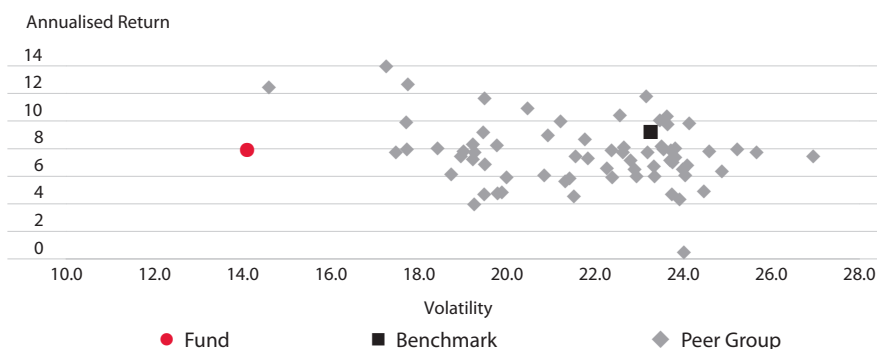
With anomalies as a start point, the investment process seeks to identify and invest in key 'themes' in the Pacific region. Our themes are driven by factors outside of the normal economic cycle and are not yet discounted by the market. Companies are identified and chosen via rigorous bottom-up analysis 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.

Risk Adjusted Performance - Class A USD (%)



Source: Bloomberg. Annualised return and 1 year volatility versus the peer group (open ended offshore Asia Pacific ex Japan Equity Fund Index), 7.10.05 to 31.12.14

Fund Manager Commentary

The fund finished slightly ahead of the index in December, driven mainly by our high exposure to China, which stole the limelight. Indeed all three of our top performing companies in December are in China. These are **Ping An Insurance**, spirits distillery and strong local brand (and also A-share), **Kweichow Moutai**, and **Huaneng Power**. Both the latter companies trade at valuations well below regional peers. For example, **Kweichow Moutai** trades on a forward P/E of just 11.7x, which is low for a leading brand and is between a half and a third of the valuation of the top 4 food brands in the Philippines. On the negative side, all other markets fell in December with Thailand and Vietnam leading the way.

We have made a number of interesting changes to the fund recently. As well as buying our first A-share, we have added to our logistics exposure via **Kerry Logistics** and **Singapore Post**. We have also initiated on a new theme which can generally be described as 'Technical Clothing Fashion', although we are looking for a less cumbersome title! We have bought companies exposed to the global trend to wear highly technical, light and functional sports gear all day as a fashion statement. As well as observing this as possibly the first genuinely global clothes trend amongst the urban elite, the growth currently in this segment is 4x that of general apparel.

All data as at 31.12.14. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asia Fund



Top 5 Holdings (%)

PCCW	3.9
Huaneng Power International Inc	3.3
AIA Group	3.2
Kweichow Moutai Company	3.2
Hutchison Telecommunications	2.8
Total Number of Holdings	45

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	15.1x
Predicted Return on Equity (%)	17.9
Predicted Earnings Growth (%)	16.2

Risk Metrics

Beta	0.57
Alpha	2.6
Sharpe Ratio	0.56
Volatility (%)	14.1
% of the portfolio which could be sold in 2 business days	88.6

Thematic Breakdown (%)

Telecoms / Infrastructure / Logistics	25.9	<div></div>
Local Brands	15.5	<div></div>
Automation / Internet of Things	13.4	<div></div>
Leisure / Tourism	9.8	<div></div>
Financialisation	9.2	<div></div>
Reform	7.7	<div></div>
Internet	7.5	<div></div>
Cash	4.9	<div></div>
Healthcare	4.8	<div></div>
LED / Cloud Computing / Software	1.5	<div></div>

Geographical Breakdown (%)

Hong Kong/China	46.3	<div></div>
Korea	11.8	<div></div>
Vietnam	8.2	<div></div>
Taiwan	8.2	<div></div>
India	7.8	<div></div>
Thailand	5.1	<div></div>
Cash	4.9	<div></div>
Australia	3.9	<div></div>
Singapore	2.5	<div></div>
Indonesia	1.3	<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	201.59
B USD Unhedged Distributing	B0M9LL2	IE00B0M9LL22	201.71
C GBP Hedged Distributing	B18RM25	IE00B18RM256	110.13
D SGD Hedged Distributing	B3LYLK8	IE00B3LYLK86	277.43

Performance fee based on individual investor's holding

U GBP Unhedged Distributing	BBQ37S6	IE00BBQ37S60	112.36
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Performance fee based on fund performance as a whole

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