

Prusik Asia Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

30 September 2013

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)	64.6m
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	4.60	4.41	4.66
3 Month	5.04	4.77	5.14
Year to Date	9.12	9.42	9.27
Since Launch	86.59	47.14	3.13
Since Launch [†]	8.12	5.49	0.83

Source: Bloomberg.

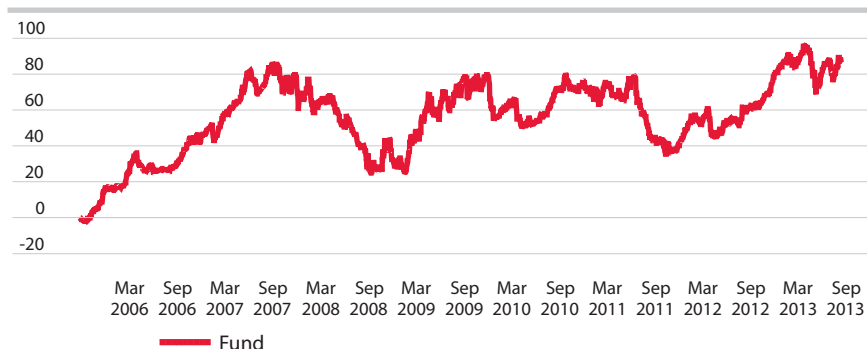
Launch Date: A: 07.10.05, C: 14.07.06, D: 15.01.10

[†]Annualised Since Launch Performance

Investment Process

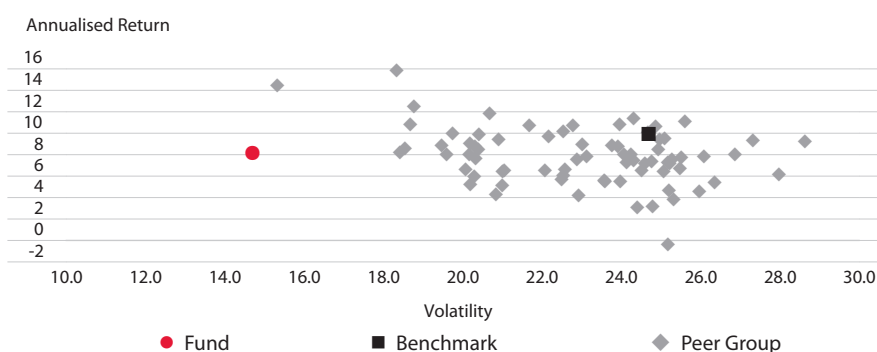
With anomalies as a start point, the investment process seeks to identify and invest in key 'themes' in the Pacific region. Our themes are driven by factors outside of the normal economic cycle and are not yet discounted by the market. Companies are identified and chosen via rigorous bottom-up analysis 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 30.09.13

Fund Manager Commentary

Markets and currencies in Asia bounced in September, taking us about half of the way back to the May highs. Highlights included a very sharp bounce in Thailand, Australia and Korea whilst much of ASEAN lagged the headline index move.

One recently added theme has been performing especially well. The Chinese internet sector is currently seeing growth at rates which we expect most analysts will fail to comprehend. For example, in the last 3 years China's business to consumer online sales have risen from a value of US\$3billion to \$64 billion! We have seen this rate of growth before in the USA, but in China the future prospects for e-commerce are even brighter than they are in the West. Future growth in internet usage is pivotal to this. In 2012, 31% of the Chinese population had a broadband connection and 21% had mobile broadband. As part of its policy move towards a consumer and service based economy the Chinese government aims to have 70% broadband penetration and 85% mobile broadband penetration by 2020. We thus expect an explosion of online activity in coming years; indeed, Chinese e-commerce company **Alibaba** already sees higher daily revenue than **Amazon** and **Ebay** combined!

Crucially, we don't have to always pay high multiples to invest in this trend. **Giant Interactive** is a leading game developer with exposure to mobile gaming in China. It trades on 8x 2014 earnings, has 25% of its market cap in cash and yields 5%.

All data as at 30.09.13. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asia Fund



Top 5 Holdings (%)

Kinh Do Corporation	4.5
Travelsky Technology	4.4
Haeir Electronics	4.0
Baidu	3.7
Cheung Kong Holdings	3.7
Total Number of Holdings	44

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	13.7x
Predicted Return on Equity (%)	16.1
Predicted Earnings Growth (%)	32.5

Risk Metrics

Beta	0.57
Alpha	2.5
Sharpe Ratio	0.55
Volatility (%)	14.7
% of the portfolio which could be sold in 2 business days	88.3

Thematic Breakdown (%)

Domestic Consumer	23.2	
Entertainment/Tourism	21.0	
Infrastructure	11.8	
China Internet	10.3	
Vietnam	9.6	
Local Brands	9.2	
Telecoms	6.6	
ASEAN Consumer	5.0	
Other	3.2	
Cash	0.2	

Geographical Breakdown (%)

China	36.3	
Korea	17.3	
Hong Kong	14.1	
Vietnam	9.6	
Thailand	5.1	
Philippines	5.0	
Malaysia	4.3	
India	4.2	
Australia	2.5	
Indonesia	1.5	
Cash	0.2	

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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 4367 200
Administrator	Brown Brothers Harriman (Dublin)
Dealing Frequency	Daily
Min. Initial Subscription	USD 10,000
Subscription Notice	2 business days
Redemption Notice	2 business days

Share Class Details

Share Class	Sedol	ISIN	Month-end NAV
A USD Unhedged Non distributing	B0MDR72	IE00B0M9LK15	186.59
B USD Unhedged Distributing	B0M9LL2	IE00B0M9LL22	186.66
C GBP Hedged Distributing	B18RM25	IE00B18RM256	101.60
D SGD Hedged Distributing	B3LYLK8	IE00B3LYLK86	256.89

Performance fee based on individual investor's holding

N USD Unhedged Non distributing	B3LP510	IE00B3LP5101	186.54
O USD Unhedged Distributing	B3M40N3	IE00B3M40N30	185.53
P GBP Hedged Distributing	B3MWDD8	IE00B3MWDD86	99.84

Performance fee based on fund performance as a whole

U GBP Unhedged Distributing	BBQ37S6	IE00BBQ37S60	99.23
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Performance fee based on fund performance as a whole

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