

Prusik Asia Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 July 2011

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)	182.0m
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	4.32	4.32	4.27
3 Month	3.72	3.85	3.60
Year to Date	3.12	3.30	3.24
Since Launch†	78.77	40.85	-0.56
2010	-2.66	-3.00	-3.7
2009	26.59	23.20	-
2008	-20.84	-17.70	-
2007	21.88	21.69	-
2006	33.94	13.89	-
2005	8.86	-	-

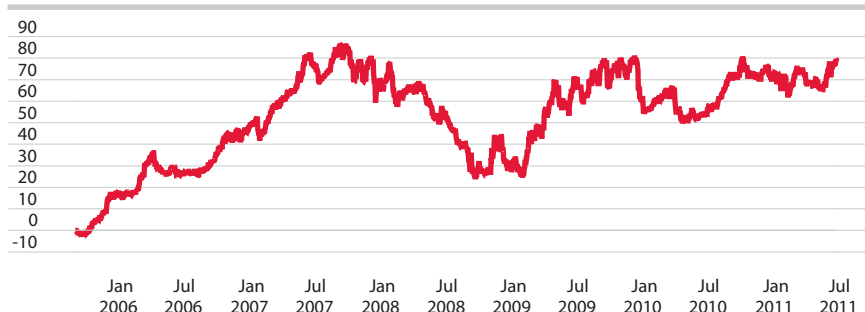
Source: Bloomberg

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

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. Since launch: 07.10.05

Fund Manager Commentary

The fund was up 4.3% in July which was a pleasing absolute and relative gain. The fund continued its momentum from the second quarter into July and the themes which have lead the way for the last few months, indeed for most of the year, remained strong.

The strongest contributors to the fund over the month were domestic consumer beneficiaries such as Gome (electrical goods in China), Lock and Lock (kitchen storage) and Standard Foods. Healthcare was also exceptional including Celltrion and Green Cross whilst the recently revisited China internet companies also made ground.

There was little change to the fund over the month. The volatility of the underlying stockmarkets gave little direction and with macro-economic issues in Europe and the US once again at centre stage, we kept some insurance. At the time of writing we have just over 10% index futures cover and 20% cash.

Asia, when viewed from an index perspective has made disappointing returns over the year so far when compared with stock markets in Europe or the US, but this seems at odds with the underlying fundamentals and relative value that can be found in Asia. In practice there has been a huge divergence in performance between sectors and countries in the region. This can be broadly described as outperformance from ASEAN and domestic consumption themes everywhere, whilst cyclical, exporters, banks and property in North Asia have languished. It is no surprise that the latter categories dominate the regional index and this underlines the importance of a thematic, non-index related, approach.

Asian stock markets would be expected to perform in line with earnings this year if it wasn't for global macroeconomic concerns. The index (MXAPJ) finished the first seven months of the year broadly flat but since the end of July we have endured a sharp selloff as global markets try to discount the chaotic political and economic situations in the US and Europe and adjust for a global economic slowdown. We think this is a very good buying opportunity for Asian investors, providing you don't think Asia is headed for depression (we don't!). Currently Asia is trading at around 1.4-1.5x book value, about 10% above previous trough values in recession, not depression, times! 'Normal' value is around 2x P/B suggesting a possible 20% upside from here once the bears have sold and, most likely, the coming FOMC meeting and China CPI data point have been discounted.

All data as at 31.07.11. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asia Fund



Top 5 Holdings (%)

Siam Commercial Bank	3.4
Titan Industries	3.3
Bank Mandiri	3.3
Newcrest Mining	3.1
Celltrion	3.1
Total Number of Holdings	37

Futures (%)

Hang Seng Index Futures (Aug 2011)	14.7
KOSPI2 Index Futures (Sept 2011)	6.7
MSCI Taiwan Index (July 2011)	3.4

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	18.8x
Predicted Return on Equity (%)	17.0
Predicted Earnings Growth (%)	25.0

Thematic Breakdown (%)

Domestic Consumption/Services	29.0	
ASEAN Linkage/Domestic growth	19.2	
Cash	15.4	
Internet	8.8	
Healthcare	5.8	
Tablet/Smartphones	4.5	
Energy	4.1	
Taiwan Cross-Straits	3.7	
Uranium/Gold	3.1	
Telecoms	2.8	
Other	2.0	
Power	1.6	

Geographical Breakdown (%)

Hong Kong/China	23.5	
Cash	15.4	
Korea	13.5	
Taiwan	10.4	
Thailand	10.1	
Malaysia	8.5	
India	7.8	
Indonesia	5.8	
Australia	4.9	

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Management Fees

Annual Management Fee
1.5% p.a. Paid monthly in arrears

Performance Fee
10% of NAV appreciation with a 6% hurdle

Dealing

Dealing Line	+ 353 1 4367 200
Administrator	Citi Hedge Fund Services (Dublin)
Dealing Frequency	Weekly, Friday
Min. Initial Subscription	USD 100,000
Min. Subsequent 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	178.77
B USD	Unhedged	Distributing	B0M9LL2	IE00B0M9LL22	178.84
C GBP	Hedged	Distributing	B18RM25	IE00B18RM256	97.26
D SGD	Hedged	Distributing	B3LYLK8	IE00B3LYLK86	247.70
Performance fee based on individual investors' holding					
N USD	Unhedged	Non distributing	B3LP510	IE00B3LP5101	178.78
O USD	Unhedged	Distributing	B3M40N3	IE00B3M40N30	178.92
P GBP	Hedged	Distributing	B3MWDD8	IE00B3MWDD86	97.24
Q SGD	Hedged	Distributing	B3M3Z35	IE00B3M3Z357	N/A

Performance fee based on fund performance as a whole

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