PRUSIK

LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

Prusik Asia Fund

Quarterly Investment Report
31 December 2015

FOR PROFESSIONAL INVESTORS ONLY

PAF Quarterly December 2015

In the final quarter of 2015 the fund rose 6.0%, outperforming the index by 0.8%. The major period of outperformance for this quarter came in November. Here in particular our Hong Kong listed smart textile companies, which make up just shy of 20% of the fund as of the end of 2015 and include **Shenzhou International** and **Pacific Textiles**, were strong. Our recent visit to see our Taiwanese companies in the same segment confirms that this sector is still seeing very good orders from both the sportswear brands but now also, increasingly, from some main casual wear brands. This is the next stage of growth that we expect for the smart textile companies as casual wear will increasingly use 'smart' man-made fibres and fabrics. This was especially brought home to us, but in a new way, after seeing some of the colours the yarn makers were producing, such as flamingo pink. These new fabric colours are, according to the industry, literally impossible to reproduce in basic cotton.

Elsewhere, the internet companies in China were also strong and the newer investments we made in this segment in recent months, **Ctrip.com** and **Baidu**, along with **JD.com**, were amongst the better performers. In many cases the valuations in this sector are no longer crazy and yet the growth remains not only well above average but also well above the 'anomaly level' of 20% per annum.

Full Year

In 2015 the fund generated a total return of -2.95%, which was 5.9% ahead of the index return of -8.88%. The end of 2015 also marks the fourth full year of running the fund on a relative return mandate. The total return for the Prusik Asia Fund from 2012 to 2015 stands at 42.65%, which is 21.75% ahead of the index return of 20.9% (source – Bloomberg 31/12/2011 – 31/12/2015) and puts us in the top decile of the Investment Association (IA) Asia Pacific Ex Japan Sector in terms of performance over the four year period.

Three of our key themes performed well in 2015:

Smart Textiles: 13.4% average weighting in 2015

- Smart textiles was the best performing theme in 2015, generating a 36.5% ROIC.
- All stocks contributed positively to performance, led by **Shenzhou International**.
- Our holdings within this theme benefitted from strong customer sales growth from Nike, Adidas and Lululemon, consolidation in the industry and progress on the TPP agreement which will remove tariffs to the US for companies manufacturing in Vietnam.

Leisure & Tourism: 6.5% average weighting in 2015

- Leisure and tourism was another strong theme in 2015 with a 25.3% ROIC.
- Top contributors, **Travelsky Technology** and **Beijing Capital International Airport**, benefitted from continuing good air travel passenger growth in China.
- Korean duty free shop operator, **Hotel Shilla**, was a drag on performance following news its key competitor was unexpectedly awarded a duty free shop license.

Vietnam: 13.4% average weighting in 2015

- The Vietnam theme delivered another great year of performance with 17.2% ROIC.

- While individual stock performance was a bit mixed, **Vinamilk** and **Bao Viet Holdings** led to strong absolute returns.
- The theme benefitted from improving macro environment in Vietnam and news that the government will lift foreign investor limits in select stocks.

Some themes were detractors, or partial detractors of performance:

Telecoms: 10.5% average weighting in 2015

- Disappointingly, all stocks in the telecoms theme had a negative impact on performance.
- It is worth highlighting though that **PCCW** and **SK Telecom** were sold at a significant profit since purchase but generated a negative return in 2015.
- The telecoms theme weighting has now been reduced significantly to low single digit percentage with a view to exit this theme entirely.

Automation / Internet of Things: 4.9% average weighting in 2015

- This theme had a low weighting throughout 2015 but it had a negative impact on performance via one stock, **Hermes Microvision**.
- Semiconductor inspection equipment maker, **Hermes Microvision**, faced significant customer delays and rising competition which looked likely to threaten its near monopolistic market.
- **Hermes Microvision** has since been sold and there is now a 0% weighting in this theme.

Local brands: 6.9% average weighting in 2015

- All stocks in the theme, except one, **Coway** in Korea, had a negative impact on performance.
- **Tata Motors** and **Hero Motor** were sold at a profit since purchase but generated a negative return in 2015.
- News flow on **United Spirits**, an Indian branded spirits company which is undergoing restructuring, turned disappointing and the stock was sold at a loss.

Themes for 2016

We start 2016 with some of our key themes still dominant in the fund. Most notably these include Vietnam, smart textiles, and financialisation. We have some relatively new themes in the fund which we hope will build and become major new themes over time. These include intelligent / electric vehicles and more recently, within our broader local brands theme, we have been investing Chinese sportswear centric companies in response to the government's stated policy of creating a domestic sports industry.

Importantly, during the recent market weakness we have witnessed how strong themes can hold up and generate very good returns. For example Under Armour's much better than expected numbers in late January included sales growth of 22%. In turn, **Eclat Textile**, our Taiwan based supplier to Under Armour rose 3.4% during January in local currency terms, significantly outperforming the MXAPJ index.

Valuations and Foreigner Capitulation

Despite widespread negative sentiment a few quantitative analysts are beginning to get excited again about a near term inflection point. We have written in the past about quantitative work on

Emerging Markets from Credit Suisse, which in the past has been prescient and helpful in cutting through the psychological gloom to highlight the facts. In our 3Q15 quarterly report we looked at this work in terms of price to book valuations. We believe this is worth revisiting, alongside making some supplementary comments.

At the time of writing, in recent days the MSCI Asia ex Japan index for the third time since August and September 2015, has touched the price to book ratio lows which were only previously seen in 1998, 2001, and 2008. At the time of writing, the price to book ratio stands at 1.25x. History suggests that buying at these lows results in very significant gains on a 2 year view on all occasions and is very likely to generate good returns on a 1 year view. The table below has more details.

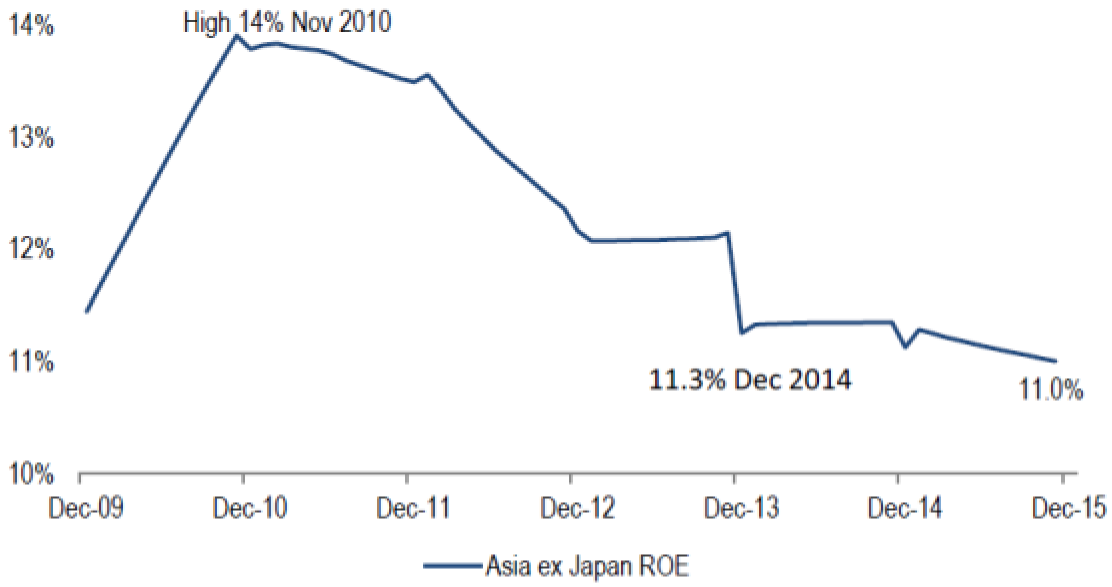
Returns from buying at 1.3x P/B or below:

	1 month	3 month	12 month	24 months	36 months
Asia Crisis	-1.8%	+4.62%	-6.5%	+34.1%	+5.0%
9-11	-1.4%	+16.9%	+15.7%	+46.1%	+75.2%
GFC	+0.9%	-1.2%	+64.9%	+95%	+68.3%

Source – Bloomberg/Prusik

The difficulty that some observers have with this is that the declines in return on equity in Asia in the past few years would support this lower price to book ratio, leading some to ask whether we are in a 'new normal' state for valuations. We would agree that this is a risk but would also highlight that return on equity was also low on all the previous occasions when the price to book ratio reached these levels. Moreover, we believe there are many levers which could easily be pulled in Asia to improve return on equity. For example, more efficient capital management, reform and capacity rationalisation would all contribute to higher returns. Importantly, if the rhetoric is to be believed at both the government and company level, there are plans and strategies in place to achieve this. According to Credit Suisse return on equity appears to be bottoming.

Figure 3: **Asia ex-Japan ROE**



Source: Company data, Credit Suisse estimates

We would also note that dividend yields look particularly attractive in Asia, especially in Australia, China and Korea. In the case of Australia and China, dividend yields are now higher than the local bond yields, whilst in Korea this gap is the narrowest it has been for the past 15 years.

Finally, what we are witnessing in terms of foreign investor capitulation also lends support to the quantitative view that Asia could deliver a positive return on a 12 month view. On a rolling 12 month basis this has been highest in ASEAN with net foreign selling of 1.4% in Thailand, 1.3% in Malaysia and 0.8% in Indonesia and the Philippines. Indeed in Emerging Asia ex China and Malaysia in seven out of the past eight months, foreigners have cumulatively sold about US$30 billion. This is equivalent to around 0.3% of market capitalisation on a rolling 12 month basis. Selling to this extent has only been seen in three past occasions – 2003, 2008, and 2011. Anecdotally, we would add to this that most clients have been speaking to recently are underweight Asia.

In short, we have a lot of sympathy with Credit Suisse's view that historically cheap valuation in Asia, plus recent foreigner capitulation, make for a strong case that Asia equities will deliver positive returns on a 1 year view.

China

We cannot argue with the view that risks globally are rising. While we are certainly not macro experts, and we will keep our comments here short and without grand conclusion, there are a number of very interesting issues impacting markets at present which deserve commenting on.

China's Currency

China remains in the midst of a deliberate effort to restructure its economy but investors are clearly very reluctant to give Beijing the benefit of the doubt in terms of successfully managing the transition from an investment-driven to a consumption-led economy, as well as establishing a more fully market orientated exchange rate. Indeed, some question whether Beijing has lost control of the economy, the exchange rate and the markets altogether.

The development of the offshore renminbi market could be viewed as a policy mistake by Beijing since it has exposed the Chinese currency to hot money flows which are making it harder to execute a smooth transition to the new PBOC policy of targeting the renminbi against a stable trade-weighted exchange rate basket. However, it was no doubt a necessary step in Beijing's gradual process of internationalising the renminbi. This process gained further credibility with the IMF's decision in November last year to add the renminbi to its SDR basket with a 10.92% weighting, effective from 1st October 2016. The PRC will therefore remain reluctant to take the extreme step of shutting the offshore market down altogether since the political leadership has invested so much capital in the SDR agenda.

So what does SDR ascension mean? In practice, SDR ascension has limited practical implications in that this is a notional currency used by the IMF for when its member countries want to access its funds. SDR ascension does not equate to an automatic shift in official foreign reserves where the US dollar still dominates (64% weighting as of the end of 2014). However, this 'stamp of approval' which the renminbi has been granted as a result of SDR ascension is expected to lead to the renminbi's weighting in official currency reserves to increase. Certainly, sitting at a 1.1% weighting behind the Canadian dollar, as the renminbi currently does, appears to be at odds with the fact that the renminbi is the second most widely used currency for global trade

Does Beijing want to see a one off sharp devaluation of its currency? While we believe Beijing may see some mild depreciation of its currency as desirable, we think a one off sharp devaluation is unlikely. Quite apart from setting back its ambitions to become a global reserve currency, China has already indicated that it is moving away from an export led economy towards a services oriented and more domestic and higher value added set of dominant industries. Hence its efforts to boost consumption, introduce pensions and deeper financial markets, build a sports industry, file patents in the healthcare sector and so on. In addition, having already carried out a one off devaluation in August last year, with the only parallel in recent history to that being the one off appreciation carried out in August 2005, we think a further devaluation in the near to mid term does not make much sense from a policy perspective.

In short, we believe that China's policy is in fact to try to create the renminbi as a stable unit for central banks and other institutions to add to their portfolio. What is clear, however, is that, by clearly stating that they wish to manage their currency against a basket of currencies they are looking, in the medium term, to reduce exposure to the US dollar.

Capital Outflows

Aside from the speculative outflows from China that we have witnessed in recent weeks and months, it is worth highlighting the huge demand for dollars created by outbound tourism from China. A Chinese citizen is allowed to convert up to $50,000 worth of renminbi into dollars each year in order to travel overseas. In 2015 outbound tourists from China numbered some 130 million people. Whilst is it not known whether they all took their full allocation, in theory the potential demand for dollars from this alone amounts to $650 billion. What we do know, however, is that according to Fung Business Intelligence Chinese tourists' overseas spending on clothes and footwear alone (and so excluding spending on jewellery, food, entertainment and hotels) came to around $230 billion last year, which suggests that a significant portion of the maximum allocation is being taken up. Quite worryingly, since the beginning of 2016, the speculation and fear in currency markets has meant the daily conversion of $10,000 per person could has not always been met.

Capacity Closures

Elsewhere, there is evidence that China is slowly starting to close capacity in some of its worst sectors which are most plagued by overexpansion. We are starting to see this in steel and coal. According to CLSA, for the 5 large coal producers they track, 8,000 workers, or around 10% of the aggregate workforce will lose their jobs by March 2016. This follows on from 2015 during which time around 25,000 at these companies lost their jobs. In both absolute and percentage terms this might not seem that dramatic but the direction is clearly established.

There is no question that China's economy is going through a very complex transition. It looks as though the government's intention is to try and tackle this by taking a slow step by step approach in a bid for the economy to only experience a slowdown rather than a full-on recession. If the government achieves its objectives, the outcome should be a more balanced, resilient economy where a collection of companies, notably in the technological, consumer, healthcare and auto industries could have widespread recognition outside of China and strong pricing power. However, whether the Chinese government succeeds on this front remains highly debatable, with some significant execution risk ahead.

Deflation and Disruptions

Oil

As Paul Krugman elegantly wrote recently in the New York Times, there is something 'non-linear happening with the impact of falling oil prices.' In the past, falling oil prices used to have an expansionary impact on economies, especially for Asia which is a net importer of oil – lower oil prices would typically lead to lower inflation and in turn scope for interest rate cuts. Perhaps this conventional theory is limited to scenarios where the oil price falls are small and incremental. Quite probably when the oil price declines by 70% the effect on producers and other energy industries which have based their business plans and financial structures on higher oil prices (for example the huge leverage taken on by fracking companies) is so drastic that the effects override what conventional theory has taught us. Indeed, the liquidity constraints in the Middle East are already resulting in huge deleveraging and asset sales. In fund management this is mostly being felt in the form of sovereign wealth funds selling down their investments. The liquidity constraint and forced deleveraging is also being felt in bond markets. Combined, these events could send negative tremors across the global economy which far outweigh the positives of cheaper energy, whilst at the same time magnifying deflationary pressures.

Disruptions

In previous quarterly reports we have written extensively about the huge technology disruptions that are bearing down on many industries. These include the imminent challenge to all energy sources by the combination of solar panels and battery technology and the subsequent but parallel challenge to the conventional car sector by electric vehicles. The impact will be every bit as disruptive as the crushing effect ecommerce has had on traditional retail. Interestingly, the impact of ecommerce has still not come to an end. This month the iconic US department store company, Macy's, has announced massive store closures amid rumours it is experiencing financial difficulties.

The key point about all these disruptions is the part that technology is playing. As Moore's Law enables a totally different speed and trajectory of change in 'old' industries, the speed and depth of change is taking most participants by surprise. At the same time, technology disruption is also very deflationary.

This quarter we want to highlight three more important disruptions which we can see coming. All are technology or software based or enabled, open source, asset light and hugely deflationary in that they offer cheaper solutions to conventional models and practices.

Blockchain

At this very early point is it difficult to convey the importance of blockchain in our future without coming across as overly dramatic or sensationalist. Unhelpfully, widespread evidence is admittedly still to be seen. However, we have read extensively and listened to and participated in hours of conversations and podcasts on the subject with experts who are using or have used this technology.

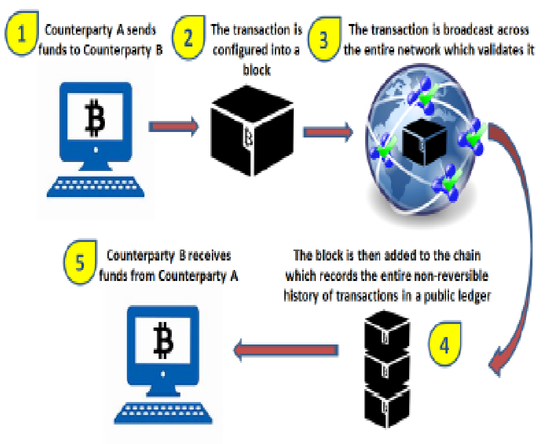
The consensus is that blockchain is both an enabling technology and a disruptive force and the extent of the future disruption brought about by blockchain is likely to be massive. In addition, many believe that blockchain will be the foundation of another internet world, which will be equal again in size and importance to the whole internet of today! The difference is that today's internet is based on information. Blockchain will enable an entirely different internet, one which is based on value.

What is Blockchain?

Blockchain is the open source software behind Bitcoin but do not be mislead or put off by this association. Bitcoin is a distraction here. Blockchain software can be applied in many ways beyond virtual currency.

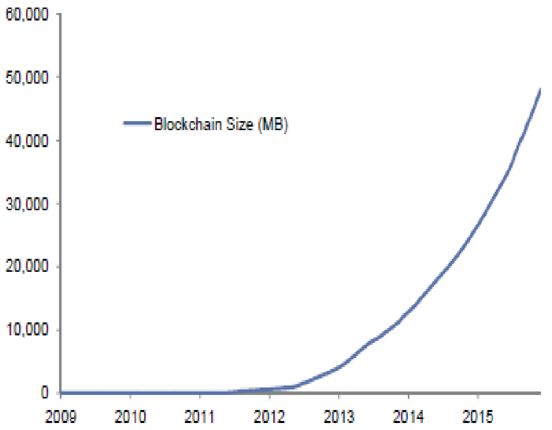
Blockchain is a clever form of database. Using the internet, cryptography and open source based software, it is a shared, replicated and decentralised ledger. In addition, no single entity has the unilateral authority to change or meddle with the transactions in this distributed ledger, so all transactions need to be approved by the parties involved. The information in a Blockchain based transaction is instantaneously shared with everyone who needs to receive it and is simultaneously stored and, crucially, *constantly* replicated – hence its resilience – in multiple places. A Blockchain ledger has never been successfully hacked. It reduces transactions to an immediate event: I buy, you sell and Blockchain indelibly and immediately records it. No settlement time is needed.

Exhibit 1: The Blockchain is a distributed, public ledger, most commonly known as the core underlying technology for Bitcoin



Source: Goldman Sachs Global Investment Research.

Exhibit 2: The size of the Blockchain grows along with the no. of transactions
Aggregate size of the Bitcoin Blockchain (MB) since inception (2009)



Source: blockchain.info, Goldman Sachs Global Investment Research.

Hence Blockchain creates a shared infrastructure which will have a monumental impact. For example, it has the potential to transform the financial services sector, which is still quite unbelievably dependent on double entry bookkeeping and a reconciliation processes which often still results in settlement periods of up to 5 or 10 days ('T+5' or 'T+10') for some complex derivatives. With Blockchain, there will initially be 'triple entry accounting' but eventually, owing to the resilience and design of Blockchain, settlement will be instant.

One can imagine many corollaries of just this one change. Banks using a private distributed ledger based on Blockchain could significantly reduce transaction costs owing to not needing settlement staff. Instant settlement also means lower holding costs and lower capital requirements for businesses. On the other hand, it means that anyone making money by holding capital in the middle of a transaction will no longer be able to do so. Using a public ledger, people who do not know or trust each other can transact without a middle market or exchange. For example, companies can issue stock directly to shareholders.

The list will be long, both of beneficiaries and casualties. We suspect that it could also rapidly spawn a whole new generation of online banks, possibly owned by respected internet brands that use the very cost effective and asset-light Blockchain software from the outset. In theory, by using a Blockchain based model they would be able to slash costs and increase banking efficiencies in a way that bricks and mortar banks might not be able to compete with. This should sound familiar and we know how the story ends.

In addition there are many other kinds of transactions which can use Blockchain. Its security could mean that legal letter issuance could use Blockchain, removing the need for Notaries. Even online payment systems could be different going forward.

At present, the evolution of Blockchain is rather reminiscent of the early days of the internet in that, depending on which side of the Atlantic you sit on, you are either surrounded by hundreds of start ups planning to use Blockchain to offer specific services or you are sceptical or have never heard of it. At the same time, all the major banks, for example, know they need a Blockchain based strategy but exactly what or how is still a major discussion.

Overall, many would agree that 2016 will be the year when we begin to see the launch of many Blockchain based services. Indeed, Australia's main stock exchange became the latest backer of Blockchain technology last week with a settlement-system deal and $10.5 million investment in a Blockchain services start up called Digital Asset Holdings. Investors in Digital Asset Holdings also include Citigroup, ICAP, JP Morgan, ABN Amro, Deutsche Boerse and Santander.

Santander predicts that by 2022 that private Blockchains may save up to $22 billion in costs for global banks and may even exclude those banks not using the technology. It is still early days but this disruption is imminent and, of course, it is going to be deflationary.

The Sharing Economy

Just when we thought Uber was the best thing since sliced bread, along comes Via (www.ridewithvia.com), currently operating between 6.30am and 9.00pm on weekdays in New York but soon to be extended, thanks to its success. With a Via app you can call a car to ride anywhere in Manhattan south of 110th Street for just $5! The trick is that you share the ride with others, which New Yorkers and Via drivers are both discovering is rather fun. Morning coffee taking is encouraged, whilst the drivers are paid by the hour, which is proving to be less stressful for them than the Uber model.

We mention this along with many other examples such as AirBnb and Uber as signs that the 'sharing economy' is here to stay. We believe it will increase exponentially this year, causing more deflation and creating the rise of massive new 'virtual' businesses in breathtakingly short periods of time. At the heart of this fundamental and, we believe, generation-driven change in behaviour is the fundamental rule: 'Don't buy; rent or share instead.'

Biohacking

Biohacking is both a trend and a disruption. Contrary to the illicit connotations we might have with the word, hacking in this context is very much a positive activity. In this instance hacking refers to what the word means in its purest sense, namely taking things apart and putting them back together in a new and better way. More specifically, biohacking refers to managing one's own biology using a combination of medical, nutritional, psychological and electronic techniques. The philosophy at the heart of biohacking is that the tools and knowledge of science should belong to everyone; it is about scientific and technological development achieved in a non-institutional context and process. As such, biohacking is a natural next step from the sharing economy and even blockchain. In fact, the people talking about new trends in software are equally interested in biohacking and one aspect of biohacking in particular, nootropics, which we explore in more detail below. We do not think this is a coincidence.

Interest in our own bodies and minds in terms of health and performance has been on the rise for many years now. This trend started to take shape with the widespread usage of supplements, diets and some fitness trends and has since has evolved into Fit-Bits, numerous apps for wellness and an explosion in content seeking to explore and illustrate the interactions between the mind and body. You only have to look at the top 20 most watched TED talks online (https://www.ted.com/talks) to see biohacking is in the ascendance. Titles such as 'The Science of Happiness', 'The Power of Vulnerability' and 'Your Body Language Shapes Who You Are' cater to our desire to understand better how to be our best.

Under the umbrella of biohacking sits Nootropics or 'smart drugs'. These include drugs, supplements, neutraceuticals or functional foods which are designed to enhance cognitive functions such as memory, motivation or attention span. The prescription versions, such as Ritalin and Modafinil, are most usually prescribed for conditions such as ADHD. Caffeine is in fact also classified as a nootropic.

Crucially, many of the components of nootropic drugs are FDA approved substances but they are either not patented, or they are supplements and herbs, meaning that they are not restricted for use by 'big pharma'. Owing to this, young companies are emerging which are experimenting with and testing different components to get different outcomes. These concoctions or 'stacks' are then sold for particular purposes, for example, 'relaxation', 'restfulness' and 'rejuvenation', or 'energy', 'clarity' and 'flow'. All this is being done on an open source basis with users sharing the recipes for their favourite 'stack'. A further twist is that because everybody's body chemistry is different, eventually these could be tailor made for individuals and their specific needs.

Founders of California based Nootrobox (https://nootrobox.com/"Nutrients for the Brain"), which is one of the few nootropics sellers so far which seems to cater to the average consumer (as opposed to the chemistry expert insiders and those in the know), claim that, in future, using nootropics will be seen as equivalent to using glasses for bad eyesight.

The reason we mention this here, quite apart from it becoming a future big trend in its own right, is that we can see nootropics, plus the ethos behind nootropics, forming a major disruption for the big and well established pharmaceuticals industry. These pioneers in nootropics are young and belong to the generation that likes to share. They are creating these products open source, often with chemical compounds bound in with natural ones, and they are already very cheap. They are also highly customised, a mode of treatment which is likely to be highly beneficial to individuals but not such good news for pharmaceutical companies' profit margins. Watch this space.

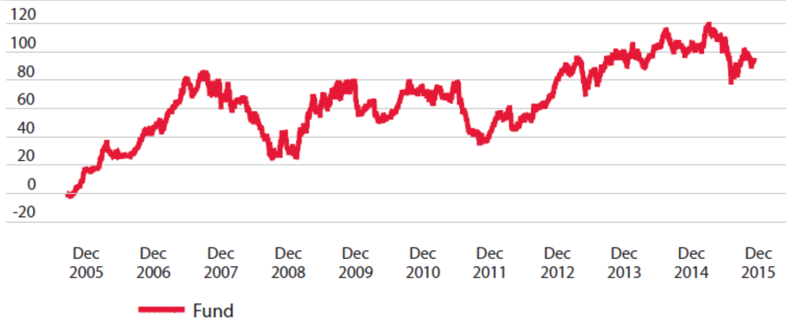
PORTFOLIO PERFORMANCE

Performance Summary (%)
Period ending 31.12.2015

	USD	GBP	SGD
1 Month	-0.11	-0.02	0.01
3 Months	6.01	6.23	6.24
2015	-2.95	-2.10	-1.81
2014	1.08	1.59	1.29
2013	16.63	16.76	16.50
2012	24.68	24.36	23.95
Since Launch+	95.64	56.15	9.36
Annualised 5 years	2.45	2.75	2.57
Annualised 3 years	4.59	5.11	5.03
Annualised Since Inception	6.77	4.82	1.51

Source: Bloomberg
+ Launch date: A: 07.10.05, C: 14.07.06, D: 15.01.10

Fund Performance - Class A USD (%)



Source: Bloomberg. Total return net of fees.

Monthly Performance Summary (%)

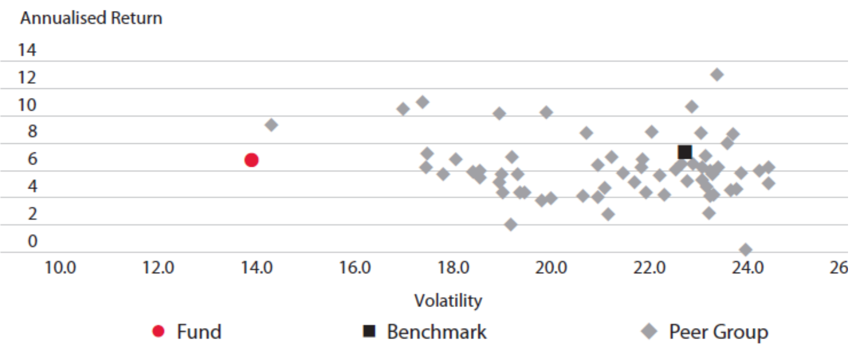
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
2015	1.57	0.07	1.23	4.06	-0.96	-1.83	-3.40	-7.67	-1.41	6.77	-0.60	-0.11	-2.95
2014	-3.15	3.04	-0.56	-3.44	2.15	2.91	2.08	4.20	-4.06	0.95	-1.12	-1.48	1.08
2013	6.68	3.52	-0.45	1.73	0.09	-7.21	3.75	-3.21	4.60	4.19	1.92	0.66	16.63
2012	5.81	6.55	-0.38	3.08	-6.93	0.67	4.33	-2.54	6.47	0.24	2.45	3.39	24.68
2011	-2.27	-0.70	1.19	1.23	-0.86	0.30	4.32	-11.95	-8.24	-0.55	-4.02	-0.52	-20.89
2010	-9.67	-2.62	3.66	1.67	-7.15	-0.54	0.96	2.98	7.80	0.74	-0.38	1.08	-2.66
2009	-6.90	-2.90	11.16	4.46	10.67	-2.69	6.77	-4.94	6.42	-2.45	4.08	2.12	26.59
2008	-6.78	6.91	-8.06	1.81	0.67	-7.69	0.21	-5.34	-5.33	-7.37	0.02	9.75	-20.84

RISK ANALYSIS

Risk Metrics	**Fund (%)**
Beta	0.57
Alpha (%)	2.62
Sharpe Ratio	0.49
Volatility (%)	13.92
% of the portfolio –which could be sold in 2 business days	79.85

Source: Bloomberg
Since Inception: A: 07.10.05

Risk Adjusted Performance - Class A USD (%)



Source: Bloomberg. Annualised return and 1 year volatility versus the peer group (ope ended offshore Asia Pacific ex Japan Equity Fund Index), 7.10.05 to 31.12.15

THEMATIC & GEOGRAPHICAL BREAKDOWN

Top 5 Holdings (%)

Shenzhou International	6.4
AIA Group	4.9
Beijing Capital International Airport	4.7
JD.com Inc	4.7
Pacific Textiles Holdings Ltd	4.3
Total Number of Holdings	29

Thematic Breakdown (%)

Vietnam	20.9
Smart Textiles	19.9
Financials	12.8
Infrastructure/Logistics/Property	11.6
Internet	9.1
Leisure/Tourism	9.0
Telecoms	7.7
Electric Car	3.7
Healthcare	2.4
Local Brands	2.3
Cash	0.7

Portfolio Financial Ratios*

Predicted Price/Earnings Ratio	16.3
Predicted Return on Equity (%)	17.0

* Fiscal year periods

Geographical Breakdown (%)

Hong Kong/China	53.4
Vietnam	20.9
Taiwan	6.2
India	5.2
Korea	3.7
Thailand	3.5
Indonesia	2.4
Philippines	2.3
Australia	1.8
Cash	0.7

All data as at 31.12.15. Source: Prusik Investment Management LLP, unless otherwise stated.

FUND PARTICULARS

Fund Facts

Fund Size (US)	64.0m
Launch Date	7 October 2005
Fund Structure	UCITS III
Domicile	Dublin
Currencies	USD (base), GDP, SGD

Share Class Details

Codes

Class 1			SEDOL	ISIN	Month end NAV
A USD	Unhedged	Non Distributing	B0MDR72	IE00B0M9LK15	195.64
B USD	Unhedged	Distributing	B0M9LL2	IE00B0M9LL22	195.76
C GBP	Hedged	Distributing	B18RM25	IE00B18RM256	107.82
D SGD	Hedged	Distributing	B3LYLK8	IE00B3LYLK86	272.40

Performance fee based on individual investors' holding.

U GBP	Unhedged	Distributing	BBQ3756	IE00BBQ37560	114.76

Performance fee based on fund performance as a whole.

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: Provided the fund achieves an overall increase of 6% a yearly performance fee of 10% of total returns will be applied.

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

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