PRUSIK

LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

Prusik Asia Fund

Quarterly Investment Report
30 June 2011

FOR PROFESSIONAL INVESTORS ONLY

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.

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 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 MANAGER

Heather Manners - Partner
Appointed Head of Henderson Asia and GEM team in 1996 after which FUM tripled to USD5bn. Her flagship product was the S&P 3 Star rated Pacific Capital Growth Fund (long only) which she ran from 1990. The two main features of this fund were sub market risk for superior market returns. On the back of this fund she designed and launched the Henderson Asia Absolute Return Fund in 2000 (long/short) and managed it until 2002.

Heather has been running money in Asia for over 25 years. At some stage during her career she managed every type of asset class offered by Henderson, including short list portfolios and assets for a 5 star Morningstar rated Small Companies Fund.

Prusik Asia Fund

The Fund was up 0.65% over the quarter. The stock markets were very volatile over the period; the Asian Index (MSCI Asia Pacific ex-Japan) touched on a high point in early May of a quarterly gain of 4.6% and troughed in mid-June some 9.8% below the high. The quarter end saw a dramatic rally over the final two weeks, erasing most of the losses and catching many unawares.

This quarter's returns for the fund are pleasing both in absolute and relative terms and we hope marks a return to 'form' for Prusik Asia Fund after a difficult period. We were certainly pleased with our relatively new tool which allows us to use index futures to 'hedge', or at least partially protect holdings. These futures positions contributed strongly in May, when the fund had about 25% futures cover across various markets and their removal in early June proved timely. This cover allowed us to leave the underlying holdings largely unchanged and, importantly, in place for the rally at quarter end.

We were also comfortable with the performance of our themes and underlying stocks. The Taiwan Domestic theme (Prince Housing), internet gaming (Neowiz), branded consumer goods (Lock and Lock) and healthcare (Celltrion) were amongst the strongest contributors for the quarter. A special mention must be made for our favourite China internet companies, Youku and Sina, which we sold last quarter into parabolic rises and bought back only two weeks ago, 50% lower down and on much more attractive valuations. These have since rallied sharply and visibly contributed once again to recent performance.

Few significant changes were made to the fund over the quarter. For much of the period the futures and cash position were defensively placed until June when, as many of the charts, valuations, statistics and bearish sentiment started to suggest an extremely oversold situation, the futures were removed and some of the cash was deployed to top up existing holdings and add to some new ones. Old favourites revisited included Sina, Youku (China Internet), Dynapack (batteries) Xinyi Glass and Celltrion (biosimilars). New additions included Via Technologies (internet TV and education), Lock and Lock and Gome (both consumer).

In Thailand we retained the futures cover until after the month end uncertainty surrounding the election had passed.

Outlook

We stand by our contention made in last quarter's report that 2011 is year three in a four year economic cycle and that year three is generally characterised by rising inflation and interest rates but also strong earnings growth. Across Asia this is indeed currently the fairly typical experience and as such, the stock markets should be expected to perform in line with earnings this year. Conservatively this means returns of at least 10-12% are achievable and given the index (MXAPJ) has finished the first half of the year broadly flat, the upside is yet to come. We suspect the (temporary?) resolution of issues in Greece and elsewhere in Europe will be the catalyst for global markets to bounce. In addition, Asia has recently triggered most of the usual quantitative signals we see before a good rally. Credit Suisse has one of the most reliable models for predicting such turns and their data now shows Asia ex Japan at similar to the levels of undervaluation to that which we saw at the lows in 2004 and 2010.

Yet again we all travelled to Asia during the second quarter and our findings also support the view that the regions equities could deliver some worthwhile upside before the year is over. Companies remain on the whole very upbeat and inflation far less malevolent on the ground than is presented in economist's reports. The domestic consumer strength is impressive and sentiment is good. The most negative pressures are emanating from China and the western world. On China we believe this will change in coming months, on which more below.

As for the rest of the world; we are concerned. The short term appears set to offer some respite and recovery but the medium term future looks likely to be characterised by inhuman volatility and intermittent grave risk.

Big Government, complexity and inhuman volatility.

The future is difficult, but not impossible if we keep our heads.

Big government is not a new idea for those of us investing in Asia but it has gathered popularity everywhere since the crisis. Passing time with an old Asia hand recently we noted what a large portion of the China and Hong Kong indices are now made up of sectors which are not in control of their own destiny. These include banking, real estate, oil and gas, coal, utilities, telecoms to name but a few although 'moral suasion' has even crept into the hallowed consumer sector via guidance on pricing of basic consumer products and department store gift voucher systems. It demonstrates how important it is not to invest in line with the index, unless, of course, the government wants the stock market to go up!

As scientists show clearly, the more complex a system, the more unstable it is which includes an increased inability to predict when change will occur. When Steve Jobs introduced the new Apple iCloud service the two loudest cheers were heard when he said there would be nothing new to learn and there would be no ads. Jobs has nailed the major problem of the 21st century which is that human bandwidth is miniscule. Indeed scientists have shown that the conscious mind can take in about 7 to 70 bits which is about a millionth of the data streaming into our senses. Fund managers have always had to jettison the majority of information they receive but quant funds, algorithmic trading and computer generated screening means that events in the stock market are unfolding at inhuman levels of complexity and information density. It could be important that the best way to manage risk is not to add complexity.

Dichotomy is something fund managers learn about at the knee of their first boss. The process of making a decision and maintaining that decision whilst constantly questioning if it was correct and examining with open mind any and all reasons why it might be wrong, may be the kind of behavior that drives family members up the wall, but is the basic survival kit in investing. The current state of the western world means that any locally made decisions are subject to additional layers of disproportionately high global risk which is not only changing but must be factored into decisions. The stakes are therefore significantly higher and the weight of dichotomy in every decision that much greater. As a character said in X-Files *'no matter how paranoid you are, you can never be paranoid enough'*. He must have been talking about the current investing environment.

Paranoia, dichotomy, complexity and government intervention have co-joined to create the current era of extreme volatility. The major contributing factors are the deterioration of western demographics, huge debt to GDP levels, risk of debt defaults at sovereign level, inflation, China and a result of this concoction is a willingness by governments to do anything to keep the 'show on the road'. Recent events in the commodities sector underline this. In April the CME raised margin requirements on silver by a spectacular 84% and soon thereafter raised margins on oil and gasoline by 20%. Recent panic selling in grain began with a new CFTC requirement to large holders to reduce positions to 600 contracts or less by June 29th. Very recently the oil stockpile release in the US has flummoxed observers leaving experienced operators in that market to call it a 'psychological mechanism' and an 'act of desperation'.

This new geopolitical rationale and, crucially, the loss of predictability that comes with government intervention will ultimately be very serious for stock markets. This is illustrated by a simple experiment carried out by Seligman in 1968. He presented electric shocks to two sets of rats as they pressed a bar to get food. In one set the shock was always preceded by a flash of light, but with the other set the light and the shock were delivered separately and at random. Needless to say the rats in the predictable shock cage remained healthy as they learned when to expect the shocks and continued to press the bar for food. However, the rats in the random shock cage exhibited signs of extreme distress and stopped pressing the bar for food. After 45 days all the rats were dissected and those which had been subjected to the random shocks were found to have badly ulcerated stomachs.

Lessons in experimental neurosis may be learned the hard way in stock markets. Volumes are already very low as is courage, holding power and there is a dearth of new ideas. Whilst mathematically or even geopolitically governments may well believe they are doing right and are indeed rational in their thinking, they are either not caring or not aware of the psychological damage they could be inflicting and the subsequent risks they are introducing to the system itself.

Where does Prusik stand in all this? We think we have some strong advantages. Firstly, we are small and nimble. We are able to liquidate our positions within hours if needed and our thematic approach not only allows us to avoid great areas of the index where governments like to play but our thematic approach actively seeks out companies which remain too small, or areas which are too new to have lost control of their destiny. Furthermore, we have built our track record on fending off volatility. Even in spite of disappointing performance of the Prusik Asia Fund relative to the index, when looking at the fund versus the Bloomberg Offshore Asian Funds universe (over 100 funds) the fund has the lowest volatility in the entire peer group and a Sharp Ratio in the top decile. Both our other funds have since inception, performance in the top decile as well as volatility lower than 98% of the peers. (Source – Bloomberg)

Our prediction is that risk will increasingly matter, and when it does, simplicity, real ability to return to cash, transparency and low volatility will all be at the forefront of investor's requirements.

China – Economy

The one question we are asked constantly is whether China has inflation under control. The answer is that we do think so, and so does President Wen who went to the English press and declared this to be the case in the Financial Times recently. We expected the June CPI number to shock people, as it did, but believe that pressures will ease over the rest of the year. Hog prices which fell 20% since January until the sharp rebound in June now mean farmers can get good returns from rearing pigs. As a result by year end there should be pigs a plenty. Furthermore, manufacturing input prices fell in June for the third consecutive month in a row.

Perhaps more concerning is the rising evidence of real pressure at SME level. This is partly owing to lack of funding availability but also partly a squeeze on costs. In Wenzhou a recent study showed that as many as 25% of SMEs were operating at a loss although our anecdotal research suggests this could be understating the problem. It seems anomalous that the Chinese government is prepared to stand by and let its precious private economy run aground in such as way.

We can only conclude therefore that the second half will see much more accommodative measures and more concessions to economic growth, which would be good for the stock market. This move perhaps started with two announcements made as the quarter ended. Firstly, the threshold for tax will be increased from CNY2000 (the equivalent of $350 per month) to CNY3500 ($540) per month. This will benefit the lower income earners but gives everyone a boost. (It also throws into deep relief the difference in the economic situation between East and West, where tax cuts will remain an elusive dream for a while!) The second announcement was from the Beijing government that they are setting aside CNY10billion for 1 million units of social housing to be built between now and 2015. This paves the way for similar announcements from other regional governments over coming days. We also think it is likely that we may see further measures coming soon including a possible cut in VAT or a widening of the trading band of the RMB.

China has been a poor performer in the last three months and now ranks amongst the very cheapest stock markets in the region. We have slowly in the past few weeks been rebuilding our exposure here. The key beneficiaries will be housing, construction and consumption related businesses, such as Gome.

Milan Station

No, we have not taken a geographic wrong turn. Milan Station is the name of a company which recently had an IPO in Hong Kong and enjoys a current market capitalisation of some US$175million. The business buys and sells *second hand* designer handbags via shops in Hong Kong, Beijing, Macau and Taipei and the share issue was oversubscribed by 2,100 times, a record for Hong Kong! We have for several months resisted the urge to write about handbags being the new hard currency, but suffice to say it is not hard to fall into thinking that this, or the more recent Prada issue, also in Hong Kong, could mark the top for luxury goods consumption in China. Nevertheless, the extraordinary demand continues.

Consumption at the other end of the scale is also still growing apace. Gome sells household electrical appliances and we first visited them in January as they were rolling out some impressive new strategies to improve profitability. Store layout was a key area of change so goods were displayed by category not by brand and sales assistants are motivated to sell the higher margin products in each category. Furthermore their supply chain was reduced as they made the most of their market share in China to source directly from the manufacturer rather than using domestic suppliers. This was confirmed by one of their ex-suppliers who we met with on the same trip. This has distilled to some impressive growth numbers: 1Q growth in recurrent net profit of 52% strong same store sales growth and a margin improvement of nearly 2%. The stock is a clear beneficiary of China's new social housing program and at 11x next year's earnings still offers good value.

Lock and Lock

Lock and Lock is turning into a powerful regional brand name and has an enviable place in the kitchens of Korea, China and South-East Asia. Its primary product is the Asian version of Tupperware which is not to be underestimated! Its products work better, look nicer and, according to statistics, a typical Korean kitchen will have over 40 of these boxes for the storage of food and other items! The opportunity for the company comes in the form of spectacular sales growth in China which are nearly doubling per annum, a near 10% recent selling price increase, expansion in South East Asia, including huge new production facilities in Vietnam and an impressive list of new kitchen items now joining the brand which makes their meeting room/showroom look like a more stylish version of Lakeland. The company earnings growth is therefore set to rise 25% this year and over 40% next year and ROE is rising sharply as margins improve. The company is not cheap at 17X PE but we believe its unique product and position and impressive strategy for expanding in the region (and barely a hint of exports to the west), make it likely to retain its value premium and perform in line with its strong growth.

Red China

A year ago an anomaly appeared in Chongqing which has since spread like wildfire across the country and possibly suggests a state of public mind which is important not to ignore. The new fashion is for red-songs, red-movies, red-dance and red-books. Anecdotally it is not uncommon to hear red-songs being played in the lobby of hotels or in karaoke bars or even on singing shows on TV. Even China Eastern Airlines has a red-movie month promotion this July. The most popular movie nationally currently is called 'Beginning of the Great Revival' and tells the story of the founding of the Communist Party.

In short, this is nostalgia for the 'good old days' when everyone was equal economically, housing was provided by the state and corruption was rare. The question is how deep does this feeling go and to what extent does it carry anti-existing order and anti-elites undertones? Some of our contacts who are close to Chinas government are separately but interestingly making the point that the incoming new leadership next year are far more pro central planning and therefore we should expect to see a lot more power returning to the party centre. Moreover they even go so far as to suggest that the current demise of so many small businesses will aid and hasten their takeover by large SOEs (State Owned

Enterprises). Meanwhile the current predicament for so many foreign businesses that are entrenched in huge operations in China but unable to make money there will be solved in a similar way, presumably for cents on the dollar.

This latter point raises the hairs on one's neck. Of the 31 Chinese IPOs which have listed in the US, 26 are below the issue price and several, such as Longtop Financial are being investigated for fraud. Into this boiling cauldron of investor outrage Peter Navarro, Economics Professor at the University of California together with Irvine and Greg Autry have written a book entitled 'Death by China'. To give you some idea of the tone, some reviewers have likened the authors to Paul Rivere, the man who rang the Liberty Bell which sparked the American revolution against the British. The book lists, in great detail, threats made by the Chinese to the US. These include issues around currency rigging, destruction of the US manufacturing base, harmful Chinese imports such as dangerous toys and the considerable threat posed to US industries due to industrial espionage.

The conclusion here is that it's too early to tell whether the red-fever is important or a bit of nostalgia but remaining open minded to either possibility will help next year. The anti-China sentiment is currently very extreme and at the very least suggests that China is most likely due a rally in the near future! Cynical and short-term opinions aside, there does seem to be a risk that extreme geopolitics or, as somebody recently described it to us, 'modern warfare' becomes an even more powerful force that dominates our economic world for a while.

Grimsvotn

On 20th May, and to very little press coverage as it didn't cause a huge disruption to air traffic, another Icelandic volcano erupted. However, this one was way more important than the one which stopped all the aeroplanes last year. In volcano ranking terms this was a '4' volcano, where the maximum is 5. It was throwing out between 100 and 1000 times more debris per second than last year's volcano and in 48 hours had exceeded all of last year's eruptions. Crucially, the ash was thrown 15-20 km up into the stratosphere but because of the location of the volcano and the prevailing winds for the time of year the ash has stayed mainly over the Arctic Circle. This has meant there has been very little impact so far on global weather but the risk is that this will change as summer ends.

In order to understand the magnitude of the impact it is important to remember that in 2009 there were two massive volcanic eruptions, one in Alaska and one in Russia. Both of these volcanoes were huge and have been a significant part of the cause of the last two years of cool and disrupted weather as the debris cleared. This year should have seen a return to normal but this new eruption will add another two years before the ash has worked through. In 1991 Pinatubo erupted causing clouds 10 miles thick and cooling the globe by 0.5'C. This had a massive impact as for every 1'C drop in temperature the freeze zone moves south by 1000km. After Pinatubo, Canada lost 30-40% of its harvest and there was 1 ft of snow on the grain in August.

Back to this year, the risk once again is that winter arrives early and is extremely harsh. It is also very likely to generate another La Nina which will continue to create colder conditions and much disrupted weather. The US harvest is especially at risk as planting has come so late thanks to the flooding. No matter what your views on commodities medium term, this winter could be tough and soft commodities and energy prices could be firm.

Gamefication

Social gaming (e.g. Farmville or Pet Society) is poised to become a billion dollar industry in the US this year with nearly a third of internet users likely to play at least one game per month – a rise of 15% on last year. To be clear, over 60% of those billion dollars is money spent on *virtual items*.

Gaming is fast becoming a huge part of our lives so it should be no surprise that in the coming year we should see some dramatic new games designed to help educate us or make us healthy. New technologies such as 3D, accelerometers and gesture control will be at the core of these new products. In old parlance, 'sprinting' will become 'Tag' and health and learning will become a lot more fun.

Partron, listed in Korea, is a key beneficiary of increased usage of gesture based devices, accelerometers and other new products soon to become standard in hand held devices.

Tablets and Education

A new report by the Pearson Foundation suggests that 70% of those bound for university or college would like to own a tablet compared with only 7% of current students who actually do. Of those tablet users 9 out of 10 say it helps make their studies more efficient and to perform better in class.

Social learning platform Xplana has been analysing the digital textbook market and has concluded that it is reaching a tipping point which means that in 5 years over 25% of textbooks will be digital and that in 7 years the digital format will be dominant. These forecasts have been revised up dramatically from a year ago with the advent of the iPad. Although tablets will be the main driver of this revolution, better e-reader sales, a booming textbook rental market, the rise of the Epub3digital book standard and new advances on 'open source' and 'open rights' textbooks all combine to make this a very low cost and attractive option for school boards.

The last time any broker wrote any research on Via Technologies was June 2010. They are a US$1billion market cap company listed in Taiwan with a background in CPU design, mainly with exposure to the now receding PC market and the one laptop per child campaign. However, three meetings with the company this year now reveal that Via have two very big projects ready to unfold. The first is design for a tablet which will be for use in the Indian education market. This is interesting for many reasons. Asia will be able to make the technology leap much faster than the West as education is still in development stages. The additional motivation for governments is the benefit of also being able to specify what is sent to the children centrally. We feel this will be an attractive proposition for China as well.

Internet ready TV

The other area which is about to explode onto the market in China is internet ready TVs. Via is supplying the CPUs to Lenovo and CCL which will mean buyers will purchase TVs with numerous apps already preloaded – both from the traditional TV side, such as cable options and from the internet side such as search engines, movie download sites (such as Youku), music, home shopping, the weather and gaming sites and so on. Moreover these will be simply operated TVs and the remote control will be replaced with a smartphone or tablet. However, the key is the bundling together of so many key services and the content. Via has the leading edge on this technology and approach in China currently and could expand elsewhere. The other driver is that for many households this new TV option could be the entry level purchase for getting online at all. The company is very confident of its 18 month horizon and should enjoy some very positive news flow. What is interesting is that although they have announced the arrival of a TV product soon, TVs remain the one area not yet dominated by Apple.

A few new trends and anomalies (or the democratisation of manufacturing)
3D Printing

A 3D printer, which has nothing to do with paper printers, creates an object by stacking one layer of material, typically plastic or metal-on top of another, much the same way as a pastry chef makes baklava with sheets of phyllo dough. Ten years ago this technology was hidden away at NASA and in the design labs of companies like Boeing where they were used to design and make prototypes. Today we are seeing 3D printing technology being pushed to the limits from making bespoke prosthetic limbs to building houses! What is clear is that 'handcraft' and 'bespoke' are going digital, meaning that the cost will fall. Small runs of home designed items such as door handles or jewelry are feasible. This technology is part of a wider trend which looks as though it might turn manufacturing into a business not dependent on scale. Ideals and requirements such as locally sourced, small batches, quick turnaround, flexible and one offs will no longer be so hard to achieve. Furthermore, waste and inventories could become irritations of the past.

Crowd sourcing

If you have not yet looked at the website 'Kick Starter' we urge you to do so. Here anyone can post a business idea and users can pledge start-up money to the ideas they like. Those whose ideas generate to sums needed then get funding. The crown gets to help pick the winning ideas and influence them.

There's more. The crowd is also now closing in on manufacturing in a way which will bring about transformative change. Manufacturing is being democratised. One way to put this is that global supply chains have become scale free, serving both the garage inventor and Sony, and the two forces driving this are a) the explosion in cheap and powerful prototyping tools and b) factories becoming more web centric, flexible and open to custom work, thanks to the global slowdown.

When industries democratise they are ripped from the sole domain of companies, governments or other institutions and handed to the crowd. It has already happened in the music industry, newspapers, broadcasting and communications and the consequence was a massive increase in the range of both participation and participants. Instead of ‘General Motors’ type companies there will be thousands of small innovators, like Krill, operating in the realms of peer production, open source, crowd sourcing and user generated content. In short, manufacturing is about to discover its long tails.

One major factor behind this change is how the Chinese manufacturers have evolved to manage more efficiently small orders. Alibaba is the largest aggregator of ‘open access’ factories allowing customers to access makers in China, facilitating real time translation online and allowing replies within minutes. Chairman Jack Ma calls it ‘C to B’ – consumer to business and the trend is expanding very fast. China is at its epicenter thanks to its traditional ‘shanzai’ industries. Shanzai literally translates as ‘bandit’. These are the fast and flexible knock off merchants but their hair trigger survival kit and networked approach has resulted in innovative products and business models.

The next decade will be interesting for manufacturing.

PORTFOLIO PERFORMANCE

Performance Summary (%)
Periods ending 30.06.2011

	USD	GBP	SGD
1 Month	0.30	0.47	0.24
3 Months	0.65	0.77	0.49
Year to Date	-1.15	-0.98	-0.99
Since Launch+	71.37	35.02	-4.63
2010	-2.66	-3.00	-3.70
2009	26.59	23.20	-
2008	-20.84	-17.70	-
2007	21.88	21.69	-
2006	33.94	13.89	-
2005	8.86	-	-
Annualised 5 years	5.29	-	-
Annualised 3 years	2.59	3.69	-
Annualised Since Inception	9.30	6.20	-3.21

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. Since launch: 07.10.05

Monthly Performance Summary (%)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2011	-2.27	-0.70	1.19	1.23	-0.86	0.30						
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
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
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
2007	-0.01	1.28	3.05	4.08	3.58	4.79	3.77	-3.75	5.67	2.61	-6.33	1.93
2006	7.71	0.09	1.84	10.14	-1.95	-0.45	-1.72	0.02	1.23	3.90	7.64	1.97
2005										-1.90	5.64	5.08

Source: Bloomberg

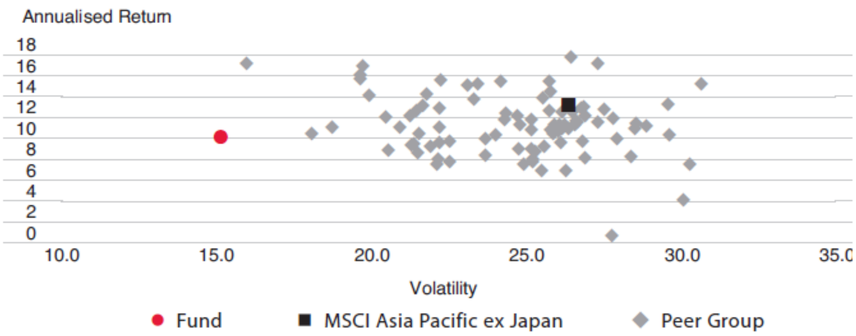
RISK ANALYSIS

Risk Metrics

	Fund
Beta	0.55
Alpha	2.2
Sharpe Ratio	0.61
Volatility (%)	15.2
% of the portfolio –which could be sold in 2 business days	92

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, 7.10.05 to 30.06.11.

THEMATIC & GEOGRAPHICAL BREAKDOWN

Top 5 Holdings (%)

Petronas Chemicals Group	3.3
Titian Industries	3.2
UEM Land Holdings	3.2
Housing Development Finance	3.1
Prince Housing	3.0
Total Number of Holdings	38

Portfolio Financial Ratios*

Price Earnings Ratio	14.6x
Predicted Price/Earnings Ratio	20.3
Predicted Return on Equity (%)	17.0

*Fiscal year periods

Futures (%)

SET50 Future (Sept 11)	-5.7

Thematic Breakdown (%)

Domestic Consumption/Services	28.3
ASEAN Linkage/Domestic growth	15.3
Cash	14.6
Internet	10.0
Tablet/Smartphones	6.3
Healthcare	5.5
Energy	5.3
Taiwan Cross-straits	5.2
Uranium/Gold	3.0
Telecoms	2.8
Other	2.2
Power	1.5

Geographical Breakdown (%)

Hong Kong/China	25.6
Korea	16.3
Cash	14.6
Malaysia	10.7
Taiwan	9.3
Thailand	9.1
India	7.8
Australia	5.0
Indonesia	1.6

FUND PARTICULARS

Fund Facts

Fund Size	175.6m
Launch Date	7 October 2005
Fund Structure	UCITS III
Domicile	Dublin
Currencies	USD (base), GDP, SGD

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

Codes

Class 1			SEDOL	ISIN	NAV*
A USD	Unhedged	Non Distributing	B0MDR72	IE00B0M9LK15	171.37
B USD	Unhedged	Distributing	B0M9LL2	IE00B0M9LL22	171.44
C GBP	Hedged	Distributing	B18RM25	IE00B18RM256	93.23
D SGD	Hedged	Distributing	B3LYLK8	IE00B3LYLK86	237.55

Performance fee based on individual investors' holding.*Month End 30.06.2011

N USD	Unhedged	Non Distributing	B3LP510	IE00B3LP5101	171.37
O USD	Unhedged	Distributing	B3M40N3	IE00B3M40N30	171.44
P GBP	Hedged	Distributing	B3MWDD8	IE00B3MWDD86	93.23
Q SGD	Hedged	Distributing	B3M3Z35	IE00B3M3Z357	N/A

Performance fee based on fund performance as a whole.*Month End 30.06.2011

Management Fees

Annual Management Fee
1.5% p.a Paid monthly in arrears
Performance Fee
10% of NAV appreciation conditional on a 6% hurdle

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