# Prusik Asian Smaller Companies Fund

### GROWTH INVESTING IN ASIA



#### 30 March 2018

Monthly Fund Fact Sheet

#### **Investment Objective**

To preserve capital and generate absolute returns over a full economic cycle by investing primarily in Small Cap companies in Asia Pacific ex-Japan, whilst maintaining portfolio volatility significantly below the peer group.

#### **Fund Facts**

Fund size (USD)	54.8m
Launch date	8 February 2008
Fund Manager	Heather Manners
Fund Structure	UCITS III
Domicile	Dublin
Currencies	USD (base), GBP, SGD

#### Performance (%)

		A USD	C GBP	D SGD
1 Month		-1.32	-1.51	-1.40
3 Month		-2.81	-3.34	-3.08
Year to Date		-2.81	-3.34	-3.08
Since Launch	1	70.31	77.06	24.59
Annualised <sup>+</sup>		5.39	5.87	2.72

Source: Morningstar.

Launch Date: A: 08.02.08, C: 25.03.08, D: 15.01.10 <sup>+</sup>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.

#### **Dividend Dates**

Dividends paid twice annually (January and July)

Fund Performance - Class A USD (%)



Source: Morningstar. Total return net of fees.

#### **Fund Manager Commentary**

The fund fell by 1.3% in March which was roughly 1% less than the index fall of 2.2%. We saw strong absolute and relative performances in Cambodia, Indonesia and the Philippines, while Vietnam, and to a lesser extent Pakistan, were a drag on performance. India also saw some weakness but our performance there was ahead of the index. From a stock perspective, our Cambodian casino, **Nagacorp**, continued to perform strongly as greater cooperation with one of the biggest junkets in China helped drive footfall. Elsewhere, our Indonesian dairy brand, **Ultrajaya**, picked up post results and the market saw the value in our leisure and tourism play in Vietnam, **Taseco Air Services**, which rose 11% in the month.

The fund saw a fair amount of activity in March, partly as a result of our trip to Vietnam in the middle of the month. Our meetings with Vietnamese steel company, **Hoa Sen**, and property developer, **Coteccons** were disappointing. In the case of **Coteccons**, for example, management explained their plans to drive future growth from acquisitions and bidding for government based infrastructure projects, which run the risk of being lower margin. We also believe that their plans to diversify are partly due to increased competition and slower demand in the company's core property development market. The proceeds from the sales of these two companies were reinvested in an exciting new find, **Saigon Cargo Service Corp. Saigon Cargo** provides air cargo services and has been growing its sales at over 20% in recent years, whilst making a very impressive 49.5% net income margin. At the time of writing, the stock has a market capitalisation of US\$480 million.

We also made a new purchase in India, **Makemytrip.com**, the leading online travel company for hotel and flight bookings in India. **Makemytrip** has 24% market share in online air ticketing and 50% share in the online hotel bookings market. Air ticket bookings are expected to grow at a high-teens rate over the next 2-3 years, whilst hotel bookings are expected to grow at around 25% for the same period. Helpfully, as **Makemytrip** is listed in the US, it is not subject to capital gains tax. At the time of writing, the stock has a market capitalisation of US\$3.3 billion.

All data as at 30.03.18. Source: Prusik Investment Management LLP, unless otherwise stated.

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## Prusik Asian Smaller Companies Fund

15.47

0.54

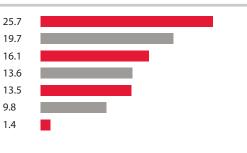


#### Top 5 Holdings (%)

FPT Corporation	7.4
Mobile World Investment Corporation	6.0
Ace Hardware Indonesia	4.4
Philippine Seven Corporation	4.2
Bank Tabungan Negara	3.6
Total Number of Holdings	39
Portfolio Financial Ratios	
Portfolio Financial Ratios Predicted Price/Earnings Ratio	15.5x
	15.5x 15.0
Predicted Price/Earnings Ratio	
Predicted Price/Earnings Ratio Predicted Return on Equity (%)	15.0
Predicted Price/Earnings Ratio Predicted Return on Equity (%) Predicted Dividend Yield (%)	15.0
Predicted Price/Earnings Ratio Predicted Return on Equity (%) Predicted Dividend Yield (%) Risk Metrics	15.0 2.1

#### Thematic Breakdown (%)

Local Brands	
Modern Retail	
Leisure/Tourism	
Financialisation	
Communication Technology	
Infrastructure	
Cash	



#### Geographical Breakdown (%)

India	30.0	
Vietnam	26.2	
Indonesia	12.3	
Sri Lanka	10.4	
Pakistan	6.4	
Philippines	6.2	
Cambodia	3.4	
Malaysia	2.5	
Cash	1.4	
Singapore	1.2	

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#### **Management Fees**

Volatility (%)

Sharpe ratio

Annual Management Fee 1.5% p.a. Paid monthly in arrears Performance Fee All Classes except Class U: 10% NAV appreciation with a 6% hurdle annually Class U: 10% NAV appreciation with a 1.5% hurdle, quarterly

#### Dealing

Dealing Line	+353 1 603 6490
Administrator	Brown Brothers Harriman (Dublin)
Dealing Frequency	Weekly, Friday
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	B2PKN21	IE00B2PKN210	170.31
B USD Unhedged	Distributing	B2PKN32	IE00B2PKN327	165.29
C GBP Hedged	Distributing	B2PKN43	IE00B2PKN434	85.46
D SGD Hedged	Distributing	B3M3HJ5	IE00B3M3HJ55	226.45
Performance fee bas	ed on individual inve	stor's holding.		
U GBP Unhedged	Distributing	BBQ37T7	IE00BBQ37T77	105.68
Performance fee bas	ed on fund performa	nce as a whole.		

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