

Prusik Asian Smaller Companies Fund



PRUSIK

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	70.31	77.06	24.59
Annualised [†]	5.39	5.87	2.72

Source: Morningstar.

Launch Date: A: 08.02.08, C: 25.03.08, D: 15.01.10

[†]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.

Prusik Asian Smaller Companies Fund



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

Predicted Price/Earnings Ratio	15.5x
Predicted Return on Equity (%)	15.0
Predicted Dividend Yield (%)	2.1

Risk Metrics

Tracking Error (% pa)	13.51
Beta	0.57
Alpha	2.36
Volatility (%)	15.47
Sharpe ratio	0.54

Thematic Breakdown (%)

Local Brands	25.7	<div></div>
Modern Retail	19.7	<div></div>
Leisure/Tourism	16.1	<div></div>
Financialisation	13.6	<div></div>
Communication Technology	13.5	<div></div>
Infrastructure	9.8	<div></div>
Cash	1.4	<div></div>

Geographical Breakdown (%)

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

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

Management Fees

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 based on individual investor's holding.			
U GBP Unhedged Distributing	BBQ37T7	IE00BBQ37T77	105.68

Performance fee based on fund performance as a whole.

This document is issued by Prusik Investment Management LLP and is for private circulation and information purposes only. Prusik Investment Management LLP is authorised and regulated by the Financial Conduct Authority in the United Kingdom and in the United States of America by the Securities and Exchange Commission as an Exempt Reporting Adviser. The information contained in this document is strictly confidential and does not constitute investment advice, nor an offer or solicitation to buy or sell any securities and or derivatives or to make any investment decision and may not be reproduced, distributed or published by any recipient for any purpose without the prior written consent of Prusik Investment Management LLP.

The value of investments and any income generated may go down as well as up and is not guaranteed. You may not get back the amount originally invested. Past performance is not a guide to, or indicative of, future results. Changes in exchange rates may have an adverse effect on the value, price, or income of investments.

The information and opinions contained in this document are for background purposes only, and do not purport to be full or complete. Please refer to the fund prospectus for more detail. The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors and investors alike should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of shares under the laws of the jurisdictions in which they may be subject to tax. No representation, warranty, or undertaking, express or limited, is given as to the accuracy or completeness of the information or opinions contained in this document by any of Prusik Investment Management LLP, its partners or employees and no liability is accepted by such persons for the accuracy or completeness of any such information or opinions. As such, no reliance may be placed for any purpose on the information and opinions contained in this document.