

Prusik Asian Smaller Companies Fund



GROWTH INVESTING IN ASIA

PRUSIK

30 April 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)	43.8m
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	-1.29	-1.44	-1.37
3 Month	-5.75	-6.21	-5.97
Year to Date	-4.07	-4.73	-4.41
Since Launch	68.11	74.51	22.88
Annualised [†]	5.21	5.67	2.52

Source: Morningstar.

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

[†]Since Launch Performance

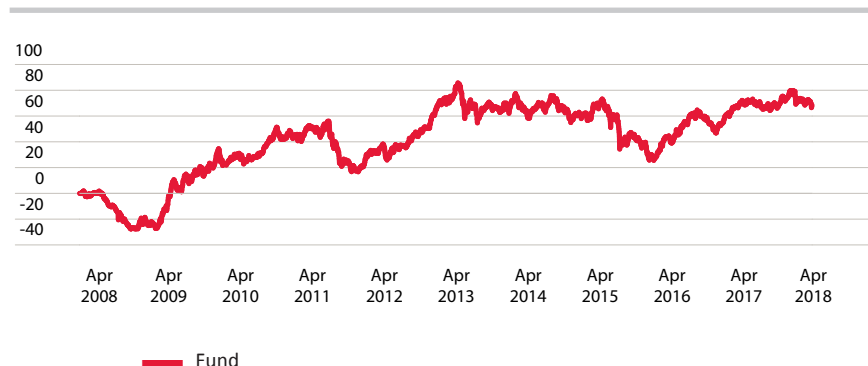
Investment Process

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

In April the fund fell by 1.3%, while the index rose by 1.1% in US dollar terms. This is perhaps unsurprising given the weakness in a number of south east Asian currencies during the month, plus a correction in Asian Frontier markets, in particular Vietnam, following a very strong first quarter. In addition, Indonesia saw a sell-off towards the month end as bond investors reacted to the narrowing spread between US and Indonesian bond yields and equity markets duly took note. In Vietnam and Pakistan, the fund's holdings fared much better than their regional indices, while our Indonesia exposure was weaker than the index. The clear bright spot for the fund in April, however, was India where our absolute and relative returns were very good indeed.

Leading the fray in India was **IRB Infrastructure Development**. IRB is an excellent case in point of the rewards to be reaped from investing with a patient mindset and long-term investment horizon in Asia's demographic growth markets. Having bought the shares in early 2017 owing to India's significant growth opportunity for building out road assets, a clear valuation discount due to a decade-old corporate governance question, and a more sustainable financing model post **IRB's** approval to list India's first infrastructure trust, the original investment case has begun to play out. In late March, India's National Highway Authority bid out a flurry of new road projects to meet its year end deadline, enabling **IRB** to double its order book. In addition, the CBI discharged the long-standing land grab case, thus alleviating many of the corporate governance concerns. While the shares have already seen some re-rating, the stock remains on a modest 11.0x P/E – something of a rarity in India!

During the month we made a number of changes to the portfolio, taking the opportunity to take profits in holdings which had seen tremendous returns in a relatively short space of time and where a number of uncertainties clouded the long-term outlook from here. This included Vietnam broker, **Ho Chi Minh Securities** (108.2% return), and Cambodian casino, **Nagacorp** (51.6% return). We also exited Indonesian dairy brand, **Ultrajaya**, and Indian coffee wholesaler with long-term brand ambitions, **CCL Products**, where we perceived the long-term growth outlook to be inferior to our original analysis while the stocks remained highly rated.

With April representing a muted period in terms of returns, we believe significant latent performance is building in the fund. The fund's valuation is now on par with the Asia ex-Japan Small Cap Index, yet the underlying forecasted earnings growth is far superior with an impressive 30.1% increase in earnings per share predicted for our underlying holdings over the coming 12 months.

All data as at 30.04.18. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Smaller Companies Fund



Top 5 Holdings (%)

Mobile World Investment Corporation	6.8
FPT Corporation	6.3
Philippine Seven Corporation	5.5
Ace Hardware Indonesia	4.9
Taseco Air Services	3.9
Total Number of Holdings	39

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	14.8x
Predicted Return on Equity (%)	15.4
Predicted Dividend Yield (%)	2.3

Risk Metrics

Tracking Error (% pa)	13.47
Beta	0.57
Alpha	2.15
Volatility (%)	15.45
Sharpe ratio	0.52

Thematic Breakdown (%)

Local Brands	24.0	<div></div>
Modern Retail	23.1	<div></div>
Leisure/Tourism	16.0	<div></div>
Communication Technology	13.6	<div></div>
Financialisation	11.4	<div></div>
Infrastructure	10.8	<div></div>
Cash	1.0	<div></div>

Geographical Breakdown (%)

India	32.5	<div></div>
Vietnam	24.2	<div></div>
Sri Lanka	12.0	<div></div>
Indonesia	10.8	<div></div>
Philippines	7.6	<div></div>
Pakistan	7.2	<div></div>
Malaysia	3.1	<div></div>
Singapore	1.5	<div></div>
Cash	1.0	<div></div>

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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	168.11
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	163.18
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	84.23
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	223.34

Performance fee based on individual investor's holding.

U GBP Unhedged Distributing	BBQ37T7	IE00BBQ37T77	106.82
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Performance fee based on fund performance as a whole.

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