

Prusik Asian Smaller Companies Fund



GROWTH INVESTING IN ASIA

PRUSIK

31 May 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)	41.3m
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	-4.21	-4.37	-4.28
3 Month	-6.69	-7.17	-6.92
Year to Date	-8.10	-8.90	-8.51
Since Launch	61.04	66.89	17.61
Annualised [†]	4.73	5.16	1.96

Source: Morningstar.

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

[†]Since Launch Performance

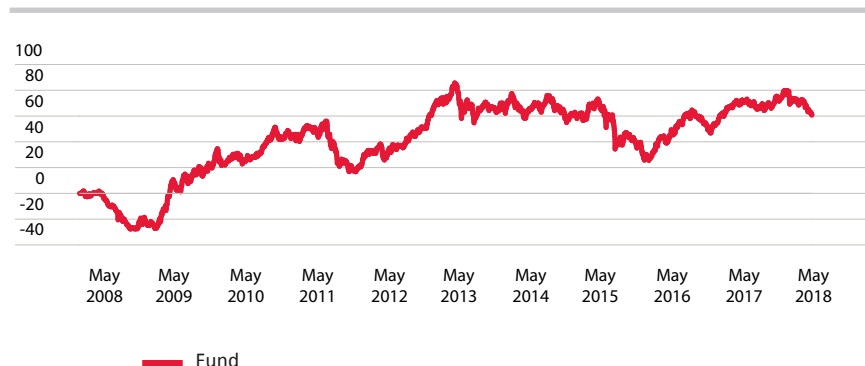
Investment Process

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 old adage of "sell in May" was keenly taken up by many markets in Asia this month with Korea, Thailand, Singapore, Malaysia, the Philippines and Frontier Asia all seeing index declines of more than 5% in US dollar terms. Clearly, with the fund's focus on economies with large and young populations in Emerging Asia and Frontier Asia, this proved a challenging backdrop. While the fund outperformed the local indices in nearly all of its markets, thus underscoring the quality of the underlying holdings in the fund, the monthly return was nevertheless -4.2%.

In late April and May, 10-year government bond yields in the US exceeded 3% and the oil price continued to rise. While it is quite logical that this had an impact on Asia's net oil importers and those with current account deficits, importantly, we perceive such market moves as a process of adjustment as global financial markets look to return to more normalised monetary policy. Moreover, we believe that our invested countries, in the main, are in the strongest financial position they have been in for 10 or even 20 years, leaving them well placed to navigate this transition period. For example, nearly all of our invested countries are currently exhibiting historically low current account deficits, interest rates and inflation, while FX reserves are at multi-year highs. Please refer to our most recent quarterly for more detailed comments on this matter.

A clear bright spot for the fund in May was our holding in leading ASEAN ecommerce and mobile, **Sea Ltd**, which is 35% owned by Tencent. During the month, **Sea** returned 40.9%. In the first quarter of 2018, **Sea** grew its ecommerce GMV by 199% year on year, saw a significant improvement in its monetisation and demonstrated good control of its marketing expenses. Ecommerce, mobile payments and mobile gaming – all of which are a focus for **Sea** – are still in their infancy in ASEAN and **Sea** is one of the few listed companies offering us exposure to this growth opportunity.

During the month we initiated a small position in **Pakistan Stock Exchange**. Broadly, we are very positive on exchanges for their often monopoly-like competitive positions and ability to generate very high returns on capital with relatively limited investment. **Pakistan Stock Exchange** has recently undergone some important changes. Firstly, brokerages are no longer the majority shareholding group of the company, thus meaning that the previously low prices brokerages were paying to the Exchange for listing, IT and other fees can now be increased. Secondly, **Pakistan Stock Exchange** has a new CEO, Richard Morin, who has a wealth of experience of bringing exchanges up to international standards and a clear strategy to do just that in Pakistan.

All data as at 31.05.18. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Smaller Companies Fund



Top 5 Holdings (%)

Mobile World Investment Corporation	7.5
Philippine Seven Corporation	5.7
FPT Corporation	5.7
Ace Hardware Indonesia	4.9
Bank Tabungan Negara	4.0
Total Number of Holdings	36

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	14.4x
Predicted Return on Equity (%)	9.7
Predicted Dividend Yield (%)	2.3

Risk Metrics

Tracking Error (% pa)	13.46
Beta	0.57
Alpha	1.76
Volatility (%)	15.41
Sharpe ratio	0.48

Thematic Breakdown (%)

Local Brands	24.0	<div></div>
Modern Retail	23.9	<div></div>
Leisure/Tourism	14.8	<div></div>
Communication Technology	13.7	<div></div>
Financialisation	12.7	<div></div>
Infrastructure	9.8	<div></div>
Cash	1.4	<div></div>

Geographical Breakdown (%)

India	31.4	<div></div>
Vietnam	22.9	<div></div>
Sri Lanka	12.3	<div></div>
Indonesia	10.8	<div></div>
Pakistan	8.3	<div></div>
Philippines	7.7	<div></div>
Malaysia	3.2	<div></div>
Singapore	2.1	<div></div>
Cash	1.4	<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	161.04
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	156.33
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	80.55
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	213.77

Performance fee based on individual investor's holding.

U GBP Unhedged Distributing	BBQ37T7	IE00BBQ37T77	105.37
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Performance fee based on fund performance as a whole.

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