

Prusik Asian Smaller Companies Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

30 June 2017

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) | 51.1m |
| 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 | 2.35 | 2.21 | 2.27 |
| 3 Month | 4.14 | 3.79 | 3.99 |
| Year to Date | 15.79 | 15.01 | 15.36 |
| Since Launch | 72.70 | 81.81 | 27.04 |
| Annualised [†] | 5.99 | 6.66 | 3.26 |

Source: Morningstar.

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

[†]Since Launch Performance

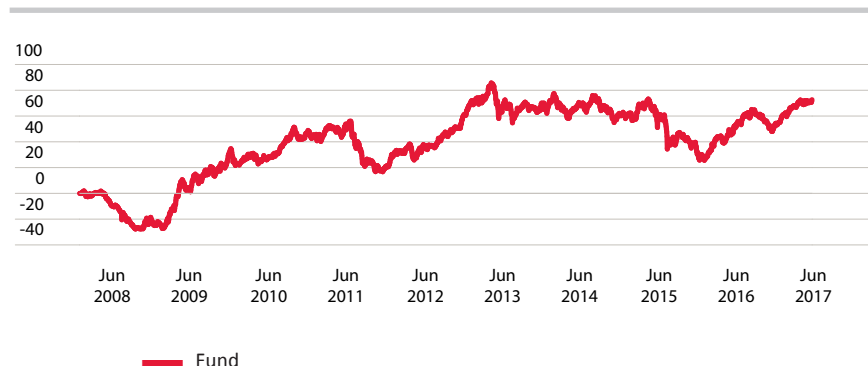
Investment Process

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 June the M2APJ index rose 1.9%, whilst the Prusik Asian Smaller Companies Fund rose 2.4%, outperforming by 0.4%. Amongst the best performers this month were Vietnam, Philippines and Sri Lanka, whilst India and Pakistan took a back seat. At the stock level we saw excellent return from Korean EV climate control maker, **Woory Industrial**, which took the stock to our target value and we have subsequently sold the position. India saw a weaker month, especially in the smaller companies, as the details for nationwide General Sales Tax (GST) were announced and there are fears that destocking in the transition period could hurt near term earnings. In Pakistan, we also saw weakness as the country saw some repositioning after its move into the MSCI Emerging Markets index. We have also seen a loss of positive sentiment regarding investigations into the PM and his family following their appearance in the Panama Papers.

We visited India during early June and came away extremely impressed by what we saw and heard. Getting the negatives out of the way first, the key issue for investors is the valuation that Indian stocks have reached. That being said, we believe the policies put in place by the Modi government in recent months have transformed the business environment for Indian companies and, as such, we believe the Indian economy is likely to have a strong period of expansion after what has been a fairly stagnant couple of years.

The digital ID system, Aadhaar, has brought 96% of the population into the banking system (up from only 40% just 6 months ago!) and sparked a huge demand for formal savings as well as mortgages. Meanwhile, the implementation of a much simplified national GST – effective from 1st July – as opposed to most taxes being decided on a state to state basis has laid the way for nationwide businesses to exist without the friction of state taxes and for single state businesses to expand nationwide with ease.

Elsewhere, a newly regulated property development industry is likely to lead to huge consolidation for an industry which was previously rife with low quality operations, whilst new tax breaks and mortgage subsidies should significantly increase the supply of much needed low cost housing in the coming years, and a growing mortgage industry with it.

Finally, the government has initiated some audacious plans, such as the creation of GIFT City outside Ahmedabad, which will be a special economic zone, focussing on Finance and Technology and including a host of exemptions and incentives, including full capital convertibility. This will allow foreign companies to set up in India and employ India's highly educated IT and finance graduates.

We have since added to our India exposure during the weakness caused by GST. These new positions give us exposure to mortgage lending, local fashion brands and shopping malls. We will give more details in the quarterly.

All data as at 30.06.17. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Smaller Companies Fund



Top 5 Holdings (%)

| | |
|-------------------------------------|-----|
| FPT Corporation | 6.1 |
| Mobile World Investment Corporation | 5.9 |
| Woory Industrial Co Ltd | 4.8 |
| Philippine Seven Corporation | 4.1 |
| Pak Elektron Ltd | 3.9 |
| Total Number of Holdings | 32 |

Portfolio Financial Ratios

| | |
|--------------------------------|-------|
| Predicted Price/Earnings Ratio | 13.1x |
| Predicted Return on Equity (%) | 23.0 |
| Predicted Dividend Yield (%) | 2.3 |

Risk Metrics

| | |
|-----------------------|-------|
| Tracking Error (% pa) | 13.58 |
| Beta | 0.58 |
| Alpha | 3.49 |
| Volatility (%) | 15.83 |
| Sharpe ratio | 0.59 |

% of the portfolio which could be sold in 2 business days 72.05

Thematic Breakdown (%)

| | | |
|------------------------------|------|--|
| Local Brands | 40.6 | |
| Infrastructure | 16.8 | |
| Financialisation | 16.3 | |
| Communication and Technology | 15.5 | |
| Cash | 7.5 | |
| Leisure/Tourism | 3.4 | |

Geographical Breakdown (%)

| | | |
|-------------|------|--|
| Vietnam | 25.7 | |
| India | 25.2 | |
| Indonesia | 12.4 | |
| Pakistan | 11.3 | |
| Cash | 7.5 | |
| Sri Lanka | 6.3 | |
| Korea | 4.8 | |
| Philippines | 4.1 | |
| Taiwan | 2.7 | |

All data as at 30.06.17. 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 | 172.70 |
| B USD Unhedged Distributing | B2PKN32 | IE00B2PKN327 | 169.86 |
| C GBP Hedged Distributing | B2PKN43 | IE00B2PKN434 | 88.90 |
| D SGD Hedged Distributing | B3M3HJ5 | IE00B3M3HJ55 | 233.96 |

Performance fee based on individual investor's holding.

| | | | |
|-----------------------------|---------|--------------|--------|
| U GBP Unhedged Distributing | BBQ37T7 | IE00BBQ37T77 | 117.42 |
|-----------------------------|---------|--------------|--------|

Performance fee based on fund performance as a whole.

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