

Prusik Asian Smaller Companies Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

28 April 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)	50.3m
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	2.64	2.50	2.61
3 Month	10.25	9.85	10.05
Year to Date	14.12	13.57	13.82
Since Launch	70.21	79.54	25.35
Annualised [†]	5.94	6.64	3.15

Source: Morningstar.

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

[†]Since Launch Performance

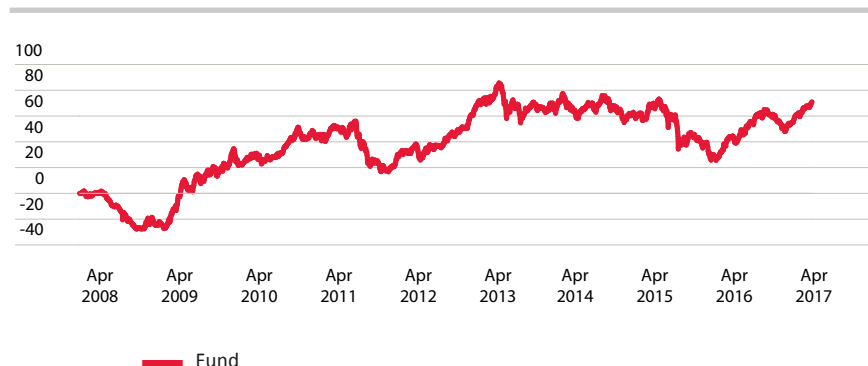
Investment Process

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

April was another good month for the index and the fund with the Asia ex-Japan index rising 1.6%, whilst the fund returned 2.6%, outperforming by 1.0%. Key areas of strength for the fund were Pakistan, India and Sri Lanka, led by our recent new purchase in Pakistan, **Pak Elektron**, a home appliances and power company, **Indus Motor**, the Toyota franchise in Pakistan and **PVR**, the Indian cinema chain operator, which we have now held for a number of years. Our investments in the Philippines and Singapore were slightly disappointing and our Vietnam portfolio was flattish in April and thus proved to be a small drag too.

Pak Elektron has a home appliance business, which mainly sells refrigerators and air conditioning units, and a power business, which mainly sells power distribution transformers, switch gears and energy meters. **Pak Elektron** is operating in markets with tremendous growth potential. The penetration for refrigerators in Pakistan currently stands at 45% and for air conditioning is just 10%. Management plan to enter new markets in the future such as washing machines but they believe it is still too early to enter this market aggressively as many people in Pakistan still use manually operated washing machines! In addition, **Pak Elektron** has a fantastic opportunity at this point in time as towards the end of last year its main competitor, Dawlance, was acquired by Arcelik in Turkey. Whilst the two companies are completing the M&A process Dawlance is less focused on growth, which leaves **Pak Elektron** with a chance to capitalise on a temporarily more benign competitive environment. Indeed, in 1Q17 **Pak Elektron** saw 36.1% year on year sales growth. We have recently been adding to our position. At the time of the writing, the company has a market capitalisation of US\$552 million and is trading on just 12.6x 2017 P/E.

Following on from our trip to Vietnam and Dubai in February where we met with a number of Pakistani companies, our analyst travelled to Pakistan for a week in April, visiting Karachi, Lahore and Islamabad to build on our earlier findings. A more detailed commentary on the trip is included in our soon to be released quarterly but we would like to stress that this is currently a very interesting juncture for Pakistan. In May Pakistan transitions from being classified as a Frontier Market to an Emerging Market. Recent conversations with the leading broker in Pakistan, JS Global, indicated that the passive ETF inflow to Pakistan as a result of this will be in the region of US\$300-500 million. To put this in context, the Pakistan market currently trades around US\$160 million per day. At the time of writing the fund has 13.8% invested in Pakistan and the Pakistan portfolio as a whole in the fund, trades on a P/E of 11.4x.

All data as at 28.04.17. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Smaller Companies Fund



Top 5 Holdings (%)

Philippine Seven Corporation	7.9
FPT Corporation	5.3
Mobile World Investment Corporation	4.8
Pak Elektron Ltd	4.1
PVR Ltd	4.0
Total Number of Holdings	32

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	12.5x
Predicted Return on Equity (%)	23.3
Predicted Dividend Yield (%)	2.7

Risk Metrics

Tracking Error (% pa)	13.65
Beta	0.58
Alpha	3.68
Volatility (%)	15.93
Sharpe ratio	0.58
% of the portfolio which could be sold in 2 business days	76.52

Thematic Breakdown (%)

Local Brands	39.1	<div></div>
Infrastructure	21.6	<div></div>
Communication and Technology	15.6	<div></div>
Cash	8.4	<div></div>
Financialisation	8.2	<div></div>
Leisure/Tourism	7.1	<div></div>

Geographical Breakdown (%)

Vietnam	20.8	<div></div>
India	18.4	<div></div>
Pakistan	11.5	<div></div>
Philippines	10.9	<div></div>
Cash	8.4	<div></div>
Korea	8.1	<div></div>
Taiwan	5.9	<div></div>
Sri Lanka	5.6	<div></div>
Indonesia	5.6	<div></div>
Hong Kong/China	2.8	<div></div>
Malaysia	1.9	<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	170.21
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	167.42
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	87.79
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	230.85

Performance fee based on individual investor's holding.

U GBP Unhedged Distributing	BBQ37T7	IE00BBQ37T77	115.98
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Performance fee based on fund performance as a whole.

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