

Prusik Asian Smaller Companies Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

29 September 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)	49.2m
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	-0.68	-0.78	-0.71
3 Month	-4.11	-4.39	-4.24
Year to Date	11.03	9.96	10.47
Since Launch	65.60	73.82	21.65
Annualised [†]	5.37	5.98	2.58

Source: Morningstar.

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

[†]Since Launch Performance

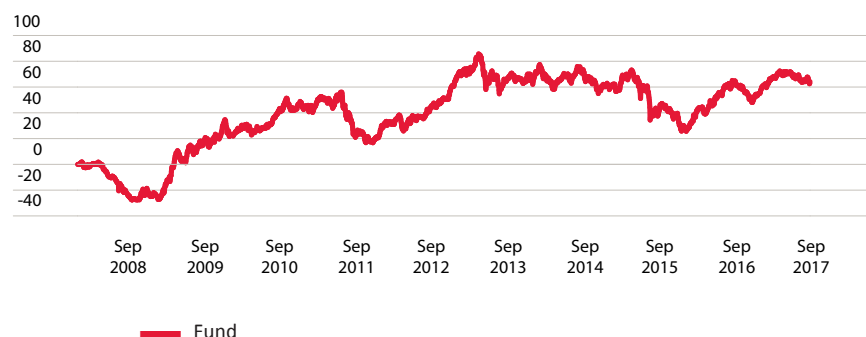
Investment Process

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 September the fund fell 0.6% with India proving to be the biggest headwind in the month. This was likely in response to the announcement that India GDP only grew by 5.7% in the April to June quarter, the slowest growth rate the country has seen for a number of years. While there are a myriad of factors at play, the short term effects of demonetisation and GST are likely to have been key contributors. What is important to remember though is that these policies were never intended to provide a short term boost to economic growth but rather are very specifically aimed at increasing the medium term economic growth rate for India, which we still believe they will.

Conversely, India saw a marked improvement in its PMI indicator in August, the indicator which tracks manufacturing activity. In August it rose from 47.9 to 51.2, thus putting it firmly back into expansion territory for which the threshold is 50. In addition, according to Credit Suisse, ROE in India recently touched 12.9%, which is comfortably ahead of its March 2016 low of 11.6%.

Interestingly, Indonesia's much less discussed tax amnesty programme may offer some learnings for what lies ahead for India as GST is fully digested. Indonesia conducted its tax amnesty in 2016, which led to huge swathes of businesses and individuals being brought into the tax net, thus equalising out much of the price differentials between organised and unorganised players as the latter put up prices to cover the new tax burden. A key beneficiary of this, and one of our holdings in the fund, is **Ace Hardware**. **Ace** sells a mix of DIY tools and building materials as well as 'lifestyle products' such as soft furnishings and cooking equipment. Its chief competition comes from local unorganised players who previously enjoyed a cost advantage by not paying tax. Now this edge has been eroded, consumers are opting far more readily for **Ace's** products. As a result, **Ace** has seen 9.7% same store sales growth for the first 8 months of the year, significantly ahead of what management had expected. Moreover, much of the growth is coming from new customers rather than existing 'members'. **Ace Hardware** was amongst the fund's top contributors to performance in the month.

Elsewhere, the fund's Pakistan exposure enjoyed some stabilisation in September with all our holdings here posting positive returns. The ruling party has stated that it is against a devaluation of the currency for now, although political wrangling continues, which may cause further volatility in the short term. Earnings growth for the market remains resilient, however, up 13% in fiscal year 2017, and our Pakistan portfolio trades on just 7.6x P/E.

All data as at 29.09.17. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Smaller Companies Fund



Top 5 Holdings (%)

Mobile World Investment Corporation	6.9
FPT Corporation	6.6
Philippine Seven Corporation	4.0
Bank Danamon Indonesia	3.5
Phoenix Mills Ltd	3.4
Total Number of Holdings	32

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	12.6x
Predicted Return on Equity (%)	22.5
Predicted Dividend Yield (%)	2.7

Risk Metrics

Tracking Error (% pa)	13.62
Beta	0.58
Alpha	2.63
Volatility (%)	15.68
Sharpe ratio	0.53

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

86.30

Thematic Breakdown (%)

Local Brands	29.8	
Financialisation	15.3	
Infrastructure	14.7	
Modern Retail	12.5	
Communication Technology	12.0	
Cash	10.1	
Leisure/Tourism	5.6	

Geographical Breakdown (%)

India	27.4	
Vietnam	26.6	
Indonesia	14.0	
Cash	10.1	
Pakistan	6.8	
Sri Lanka	5.3	
Philippines	4.0	
Taiwan	3.2	
Cambodia	2.6	

All data as at 29.09.17. 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	165.60
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	161.82
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	84.46
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	222.63

Performance fee based on individual investor's holding.

U GBP Unhedged Distributing	BBQ37T7	IE00BBQ37T77	108.13
-----------------------------	---------	--------------	--------

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.