

Prusik Asian Smaller Companies Fund



PRUSIK

GROWTH INVESTING IN ASIA

29 December 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)	54.9m
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	0.47	0.27	0.41
3 Month	5.82	5.39	5.67
Year to Date	17.49	15.88	16.74
Since Launch	75.24	83.18	28.55
Annualised [†]	5.83	6.39	3.21

Source: Morningstar.

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

[†]Since Launch Performance

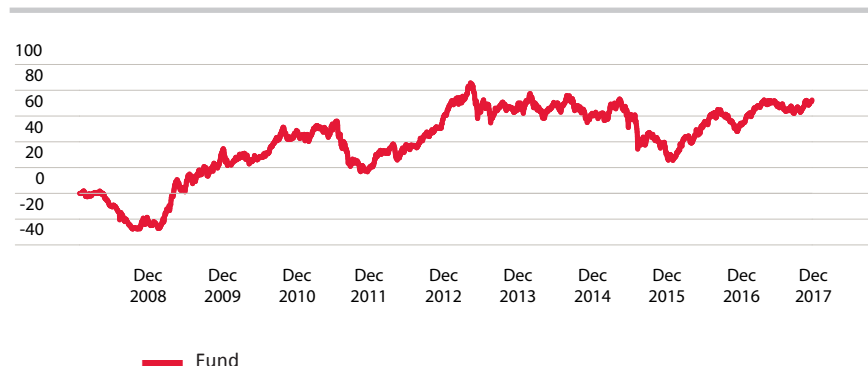
Investment Process

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

Over December the fund rose by 0.5%, bringing the full year NAV increase to 17.5%. As a reminder, the fund is now only invested in the Asian countries with young populations and these, whilst representing over 2 billion people living in countries with higher than average GDP growth, only comprise 14% of the M2APJ index.

In December, Vietnam remained a bright spot and completed the year as the region's best performing stock market by some margin. India and Indonesia were also positive contributors this month. On the negative side **Philippine Seven**, the 7-11 convenience store operator, corrected sharply in December on no news but after a strong run, costing the fund 121 basis points over the month, albeit that the stock rose over 10% during November and December combined.

In Pakistan, the rupee was devalued by 5% which negatively impacted the fund overall in December although we have seen a very strong rally beginning in the final days of the month, which we expect to continue into January.

Elsewhere, our Indian shopping mall operator, **Phoenix Mills**, rose sharply as expectations increased for the company's free cash flow to improve significantly over the coming years, whilst in Indonesia, **Bank Tabungan** also had a strong December. **Bank Tabungan** is the leading provider of mortgages in Indonesia with a near monopoly on the subsidised mortgage market and is expecting to deliver 20-25% profit growth in 2018.

We believe the outlook for the fund in 2018 is very good. The fund's P/E is below that of the market whilst its ROE is 20%, well above the market average. We are also anticipating strong earnings growth again from our companies in 2018. Moreover, we feel we have significantly upgraded the quality of companies held in the fund during last year's full transition to the Demographic Growth strategy. We believe a significant portion of our newer investments have huge potential, not just on a short term view but also on a 5 year plus time horizon, with the possibility of transforming into the blue chip household brand names of the future.

Finally, we would like to thank you for your support in 2017 and wish you all a happy and prosperous year ahead.

All data as at 29.12.17. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Smaller Companies Fund



Top 5 Holdings (%)

Mobile World Investment Corporation	7.0
FPT Corporation	6.9
Philippine Seven Corporation	4.0
Phoenix Mills Ltd	4.0
Bank Tabungan Negara	3.5
Total Number of Holdings	37

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	14.9x
Predicted Return on Equity (%)	16.4
Predicted Dividend Yield (%)	2.2

Risk Metrics

Tracking Error (% pa)	13.58
Beta	0.57
Alpha	2.69
Volatility (%)	15.54
Sharpe ratio	0.58

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

76.72

Thematic Breakdown (%)

Local Brands	24.5	
Modern Retail	22.0	
Infrastructure	14.2	
Financialisation	13.9	
Communication Technology	13.4	
Leisure/Tourism	6.1	
Cash	5.8	

Geographical Breakdown (%)

India	35.0	
Vietnam	28.2	
Indonesia	10.0	
Sri Lanka	7.7	
Cash	5.8	
Pakistan	4.9	
Philippines	4.0	
Cambodia	2.9	
Singapore	1.5	

All data as at 29.12.17. 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	175.24
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	171.25
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	89.01
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	235.26

Performance fee based on individual investor's holding.

U GBP Unhedged Distributing	BBQ37T7	IE00BBQ37T77	114.11
-----------------------------	---------	--------------	--------

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.