Prusik Asian Smaller Companies Fund

LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA



29 February 2016

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 (USI	D)	41.5m
Launch Date		8 February 2008
Fund Manager	r	Heather Manners
Fund Structure	e	UCITS III
Domicile		Dublin
Currencies		USD (base), GBP, SGD

Performance (%)

	ŀ	A USD	C GBP	D SGD	
1 Month		-0.67	-0.54	-0.63	
3 Month		-8.33	-8.12	-8.07	
Year to Date		-7.61	-7.47	-7.44	
Since Launch		28.62	32.23	-4.80	
Since Launch	†	3.17	3.53	-0.80	
Source: Bloomberg.					

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

[†]Annualised 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)



Source: Bloomberg. Total return net of fees.

Fund Manager Commentary

In February the MXAPJ index fell 84 basis points, whilst the fund was down by slightly less, falling 67 basis points. Strong performance from two of our Taiwanese companies, electric car parts maker **Tung Thih** and 'Taiwan's Amazon' **PChome Online** helped, whilst Philippine local brand restaurant company, **Max's Group**, also did well. In terms of detractors, we saw poor performance from our holding in Indian credit ratings company, **Credit Analysis & Research**, which we sold during the month.

We have just completed a trip to India and returned with a slightly more cautious view on the macro outlook. Crucially, interest rates still appear to be too high, which is in part contributing to the poor progress on the infrastructure spending which we had all hoped would materialise. That said, parts of the economy are doing very well including, anecdotally, local tourism, entertainment, including our holding in cinema operator, **PVR**, the wedding industry, local brands of western clothing, branded dairy products, jewellery and alternative energy.

Following the trip we have bought a new holding in **Inox Wind**, which is a supplier of wind turbines. **Inox** offers a full turnkey service to power providers with leased land included. This land component, in particular, makes for very high barriers to entry. High barriers to entry plus attractive large subsidies, as the government seeks to address the fact that power supply per capita in India is a third of the global average, are contributing to high returns for the wind power industry in India. On average, wind power companies in India earn an equity IRR of 23% compared to just 15% for solar power companies.

Inox has recently doubled its capacity, has a large order book and is in advanced negotiations for potential orders equal in size to the current order book. **Inox** also benefits from a recurring revenue stream from servicing the projects it has already completed. The stock has a market capitalisation of US\$940 million and is currently trading on 10.6x March 2017 P/E.

All data as at 29.02.16. Source: Prusik Investment Management LLP, unless otherwise stated.

Mark Dwerryhouse Tel: +44 (0)20 7297 6854 Mob: +44 (0)7831 856 066 **Jack Barham** Tel: +44 (0)20 7297 6858 Fax: +44 (0)20 7493 1770

Prusik Asian Smaller Companies Fund

Top 5 Holdings (%)

Philippine Seven Corporation	6.1
FPT Corporation	5.9
Tongda Group Holdings Limited	5.6
TungThih Electronic Company Limited	5.6
iFast Corp Ltd	5.5
Total Number of Holdings	25

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	12.0x
Predicted Return on Equity (%)	22.7

Risk Metrics

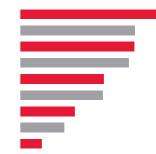
Beta			0.57
Alpha			2.66
Sharpe Ratio			0.23
Volatility (%)			14.08
% of the portf	olio	which could be	
sold in 2 busir	ness	days	47.20

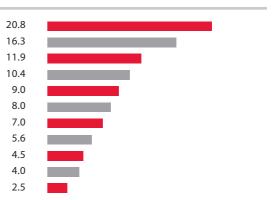
Thematic Breakdown (%)

Vietnam	20.8	
Local Brands	14.6	
Intelligent/Electric Car	14.5	
Leisure/Tourism	13.8	
Sensors	10.6	
Financialisation	10.5	
Smart Textiles	6.9	
Cash	5.6	
E-Commerce	2.7	

Geographical Breakdown (%)

Vietnam	
Taiwan	
Hong Kong/China	
Singapore	
Philippines	
Malaysia	
Korea	
Cash	
Thailand	
India	
Sri Lanka	





All data as at 29.02.16. 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 Frequ	iency	Weekly, Friday
Min. Initial Su	bscription	USD 10,000
Subscription I	Notice	2 business days
Redemption N	lotice	2 business days

Share Class Details

Share C	lass		Sedol	ISIN	Month-end NAV
A USD	Unhedged	Non distributing	B2PKN21	IE00B2PKN210	128.62
B USD	Unhedged	Distributing	B2PKN32	IE00B2PKN327	128.71
C GBP	Hedged	Distributing	B2PKN43	IE00B2PKN434	67.90
D SGD	Hedged	Distributing	B3M3HJ5	IE00B3M3HJ55	178.47
Performance fee based on individual investor's holding					
U GBP	Unhedged	Distributing	BBQ37T7	IE00BBQ37T77	84.85
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. 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.