

# Prusik Asian Smaller Companies Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 March 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 (USD)	45.0m
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	8.76	8.50	8.60
3 Month	0.49	0.40	0.51
Year to Date	0.49	0.40	0.51
Since Launch	39.89	43.47	3.39
Since Launch <sup>†</sup>	4.21	4.53	0.54

Source: Bloomberg.

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

<sup>†</sup>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)

### Fund Performance - Class A USD (%)



Source: Bloomberg. Total return net of fees.

### Fund Manager Commentary

In March the MSCI Asia ex Japan index rose 11.6%. The fund rose 8.8% thus underperforming by 2.8%. This brings to a close the quarter in which the fund underperformed by 1.5%. We have made very few changes to the fund during the period such that, broadly, the limited appreciation of the fund's NAV is simply a failure of our stocks to rally as much as the index in March. This is in part explainable by the recovery coming mostly in low quality cyclicals, which is not our usual hunting ground for long term investment ideas.

Elsewhere, Vietnam (19% weighting) and Sri Lanka were factors in the funds' underperformance this month. This is not due to anything sinister; in fact, if anything, the news from Vietnam continues to be very positive indeed. Most notably we are starting to see a clear and imminent route to raising foreign ownership limits here which we think will result in big inflows. However, as Vietnam is a stock market which is still dominated by locals it does often tend to march to its own beat. It is also a largely low beta market, which can often be helpful from a portfolio perspective but, at odd times like this, that is clearly not the case!

On the positive side we had some excellent performance from our electric vehicle theme. In particular, Taiwanese parts maker, **Tung Thih Electronic Co**, did well. We have recently added to this theme, buying **Hota Industrial Manufacturing Co**, another Taiwanese EV parts maker. The recent positive news flow from Tesla Motors has also been a key catalyst for this sector.

The end of March also marks the end of the reporting season. You may recall that the average operating profit on the fund grew 35% in the first half of 2015. This number, once the full year is taken into account, has increased to 38%, although one stock has yet to report. So far this bodes well for the fund performance to catch up soon with market levels.

In April we are travelling to Hong Kong and Taiwan to visit companies in our smart textile and electric vehicle themes.

All data as at 31.03.16. Source: Prusik Investment Management LLP, unless otherwise stated.

# Prusik Asian Smaller Companies Fund



## Top 5 Holdings (%)

Philippine Seven Corporation	5.8
FPT Corporation	5.4
Innovalues Ltd	5.2
Syarikat Takaful Malaysia Berhad	5.1
Tongda Group Holdings Limited	5.1
Total Number of Holdings	27

## Portfolio Financial Ratios

Predicted Price/Earnings Ratio	12.7x
Predicted Return on Equity (%)	23.1

## Risk Metrics

Beta	0.67
Alpha	2.69
Sharpe Ratio	0.30
Volatility (%)	14.11
% of the portfolio which could be sold in 2 business days	59.02

## Thematic Breakdown (%)

Vietnam	21.0	<div></div>
Clean Energy	16.9	<div></div>
Local Brands	14.8	<div></div>
Leisure/Tourism	14.0	<div></div>
Sensors	10.3	<div></div>
Financialisation	9.8	<div></div>
Smart Textiles	7.1	<div></div>
Cash	3.3	<div></div>
E-Commerce	2.6	<div></div>

## Geographical Breakdown (%)

Vietnam	19.5	<div></div>
Taiwan	15.5	<div></div>
Hong Kong/China	11.5	<div></div>
Singapore	9.9	<div></div>
Philippines	9.6	<div></div>
Malaysia	8.1	<div></div>
Korea	7.2	<div></div>
India	6.7	<div></div>
Thailand	6.3	<div></div>
Cash	3.3	<div></div>
Sri Lanka	2.2	<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	139.89
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	139.98
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	73.67
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	193.81

Performance fee based on individual investor's holding

U GBP Unhedged Distributing	BBQ37T7	IE00BBQ37T77	88.93
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Performance fee based on fund performance as a whole

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