

# Prusik Asian Smaller Companies Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

30 April 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)	44.4m
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	2.98	3.00	2.69
3 Month	11.25	11.15	10.82
Year to Date	3.48	3.41	3.22
Since Launch	44.06	47.77	6.17
Since Launch †	4.54	4.86	0.96

Source: Bloomberg.

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

† Annualised Since Launch Performance

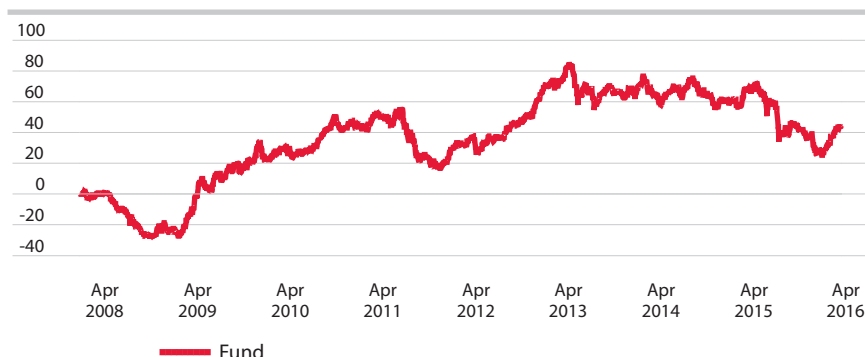
### Investment Process

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)

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



Source: Bloomberg. Total return net of fees.

### Fund Manager Commentary

Over April the MSCI Asia Pacific ex Japan index was broadly flat whilst the Prusik Asian Smaller Companies Fund rose 3.0%. India, Korea and the Philippines all did well.

In particular Korean maker of climate control systems for electric vehicles, **Woory Industrial**, was a strong contributor. In fact it is notable how well all our companies in this theme are doing this year. We now have 11.5% in this theme and believe it will be one of the fastest growing areas in the coming few years. Consumer surveys indicate that over two thirds of people are considering alternative fuel vehicles whilst Tesla alone, is targeting sales of 500,000 cars by 2020, which is still only 0.5% of expected 2020 global light vehicle sales. Meanwhile Japan has pledged to have 50,000 driverless taxis on the roads by the 2020 Olympics and Korea has announced similar ambitions. This will add to the acceleration towards smart vehicles in general which will also help push demand for several of our holdings in this theme. **Tung Thih Electronic**, for example, which makes car camera modules and tyre pressure monitoring systems has just announced year on year 1Q16 EPS growth of 254%.

Elsewhere, Philippine 7-11 convenience store chain, **Philippine Seven Corp**, was also a strong contributor. The company now has 1,600 outlets and last year grew revenue at over 30%. The interesting comparison here is with the Thai 7-11 franchise. In Thailand the population is roughly the same as the Philippines but there are currently 5 times as many 7-11 outlets as there are in the Philippines, implying ample upside.

On the negative side we saw small corrections in the Vietnam property development companies and at **iFast**, the robo-advice funds platform based in Singapore.

We have just completed a visit to Hong Kong and Taiwan, visiting a number of our holdings and seeing some potential new investments. In China, in particular, two demand trends are standing out in the relative gloom. One is sportswear – this is actual sportswear rather than fashion sportswear – as the fitness boom is really starting to take off. We believe that the current fashion for running (the simplest 'get started' fitness solution) will evolve, especially as creating a major football industry is on the government's agenda. We also think that, similar to beauty which has been a very strong consumer trend for several years now, underwear is an area which is seeing strong positive trends. **Best Pacific International** is performing well this year as it benefits from both these trends.

All data as at 30.04.16. Source: Prusik Investment Management LLP, unless otherwise stated.

# Prusik Asian Smaller Companies Fund



## Top 5 Holdings (%)

Philippine Seven Corporation	6.6
Innovalues Ltd	5.9
FPT Corporation	5.7
Tongda Group Holdings Limited	5.4
Syarikat Takaful Malaysia Berhad	5.1
Total Number of Holdings	28

## Portfolio Financial Ratios

Predicted Price/Earnings Ratio	12.6x
Predicted Return on Equity (%)	23.1

## Risk Metrics

Beta	0.61
Alpha	3.49
Sharpe Ratio	0.32
Volatility (%)	14.04

## Thematic Breakdown (%)

Vietnam	20.5	<div></div>
Clean Energy	16.6	<div></div>
Local Brands	15.7	<div></div>
Leisure/Tourism	13.7	<div></div>
Sensors	11.3	<div></div>
Financialisation	8.4	<div></div>
Smart Textiles	7.3	<div></div>
Cash	3.9	<div></div>
E-Commerce	2.5	<div></div>

## Geographical Breakdown (%)

Vietnam	19.1	<div></div>
Taiwan	13.8	<div></div>
Hong Kong/China	11.9	<div></div>
Philippines	10.2	<div></div>
Singapore	9.3	<div></div>
Korea	8.2	<div></div>
Malaysia	8.1	<div></div>
India	7.5	<div></div>
Thailand	5.5	<div></div>
Cash	3.9	<div></div>
Sri Lanka	2.5	<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	144.06
B USD	Unhedged	Distributing	B2PKN32	IE00B2PKN327	144.16
C GBP	Hedged	Distributing	B2PKN43	IE00B2PKN434	75.88
D SGD	Hedged	Distributing	B3M3HJ5	IE00B3M3HJ55	199.03
Performance fee based on individual investor's holding					
U GBP	Unhedged	Distributing	BBQ37T7	IE00BBQ37T77	90.11
Performance fee based on fund performance as a whole					

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