

Prusik Asian Smaller Companies Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

28 October 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)	48.2m
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	-1.10	-0.86	-1.04
3 Month	2.59	2.87	2.68
Year to Date	14.52	14.90	14.36
Since Launch	59.43	69.23	17.63
Annualised [†]	5.49	6.31	2.42

Source: Morningstar.

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

[†]Since Launch Performance

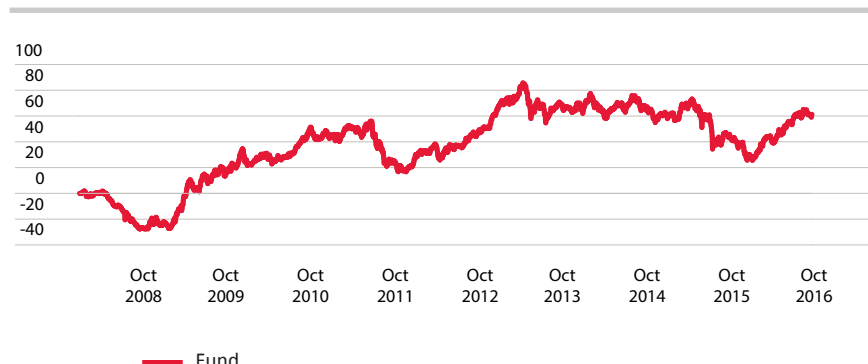
Investment Process

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 October the index fell 1.8%, whilst the Prusik Asian Smaller Companies Fund fell 1.1%. Geographically, our holdings in Hong Kong and the Philippines lead the outperformance, whilst Taiwan provided the greater headwinds this month.

At the stock level, we saw Philippine convenience store, **Philippine Seven**, rise over 10% in October. This market leader in the convenience store format is one of our larger, high conviction positions in the portfolio. The company has just 1,740 stores as at the end of June this year and continues to expand. The robust jobs market in the Philippines, combined with the youthful population, means the group of middle class urbanites looking for this kind of retail experience is growing rapidly. In order to understand the longer term opportunity for **Philippine Seven** it is helpful to look at Thailand. Thailand has a similar sized population to the Philippines but, by 2017, there is expected to be 10,000 **7-Eleven** outlets in Thailand, over five times the current number of outlets in the Philippines.

Tongda, another of our bigger holdings, also had a good month. **Tongda** is a Hong Kong listed specialist in casings for handsets and has compounded growth at 30% since 2014. It is set to benefit from the new generation of casings, which will be glass, and has recently added Apple as a customer for internal components. It is still on just 10x P/E and has an ROE of 21%.

During the month, we initiated two new holdings in Pakistan, Toyota franchise holder, **Indus Motor**, and cement company, **DJ Khan**. We believe that Pakistan is one of the more exciting markets in Asia and following on from our success in Vietnam, where we started investing five years ago, we are happy to initiate a new exposure to Pakistan. There are 200 million people in Pakistan, half of whom are under the age of 22. China is investing heavily via the China Pakistan Economic Corridor Programme and this, together with the very healthy demographics, should propel strong economic growth in the country.

Overall, as of the end of October, the portfolio is on a weighted average P/E of 13.7x, has an average ROE of 22.8% and a dividend yield of 2.5%. Reported operating profit for our holdings in the first half of the year grew by 36% and we expect this strong earnings momentum to continue into the second half of 2016 and next year too. This should be very supportive of performance in coming months.

All data as at 28.10.16. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Smaller Companies Fund



Top 5 Holdings (%)

Philippine Seven Corporation	8.1
Mobile World Investment Corporation	6.9
Tongda Group Holdings Ltd	6.3
PVR Ltd	6.3
FPT Corporation	5.4
Total Number of Holdings	27

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	13.7x
Predicted Return on Equity (%)	22.8
Predicted Dividend Yield (%)	2.5

Risk Metrics

Tracking Error (% pa)	13.98
Beta	0.58
Alpha	3.84
Volatility (%)	16.21
Sharpe ratio	0.54
% of the portfolio which could be sold in 2 business days	70.39

Thematic Breakdown (%)

Local Brands	29.7	
Vietnam	21.7	
Leisure/Tourism	9.3	
Sensors	9.1	
Smart Textiles	8.3	
Clean Energy	6.8	
Cash	5.7	
Financialisation	4.6	
E-Commerce	2.6	
Infrastructure	2.1	

Geographical Breakdown (%)

Vietnam	21.7	
Hong Kong/China	18.3	
Philippines	12.3	
Taiwan	11.8	
Malaysia	10.2	
India	6.3	
Cash	5.7	
Sri Lanka	5.4	
Pakistan	4.0	
Singapore	2.6	
Korea	1.9	

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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	159.43
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	158.03
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	83.46
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	218.47

Performance fee based on individual investor's holding.

U GBP Unhedged Distributing	BBQ37T7	IE00BBQ37T77	116.54
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Performance fee based on fund performance as a whole.

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