

Prusik Asian Smaller Companies Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 January 2015

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)	166.9m
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	1.25	1.46	1.40
3 Month	-3.62	-3.29	-3.46
Year to Date	1.25	1.46	1.40
Since Launch	61.60	65.04	18.81
Since Launch †	7.12	7.44	3.48

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.

Fund Performance - Class A USD (%)



Source: Bloomberg. Total return net of fees.

Fund Manager Commentary

The fund rose by 1.3% in January. The major contributors to performance were fairly widely scattered through the portfolio. At the country level the Philippines, Thailand and India were more helpful this month. Amongst the top contributors at a stock level was Taiwan based **Sitronix Technology Corp**, which is benefitting from the huge increase in demand for sensor ICs. Philippine food brand **RFM** also had a good month. We visited the company in the Philippines in January and came away impressed by management's plans to cater to the increasingly affluent young middle class who are benefitting from the growth in 'Business Process Outsourcing' in the Philippines. The company enjoyed considerable success during 2014 in affordable 'stick ice creams' (about a quarter of the price of a Magnum) and its plans for 2015 include affordable fast preparation pasta and sauces. Pasta is still regarded as a luxury item in the Philippines!

Vietnam was also strong during the month and we continue to be very optimistic that 2015 will be another good year for this stock market. During January we also visited Vietnam and were impressed by the amount of foreign direct investment pouring into the country, especially from Japan and Thailand. In addition, the likes of **LG Corp** and **Samsung Electronics** are entering Vietnam to enact their 'China +1' philosophy, namely spreading their manufacturing bases across the Asia region.

The upshot is an economy which is now growing at around 7% per annum and a more benign inflationary environment. Interest rates could fall further which would help drive an already nascent property boom as well as give an extra boost to the consumer. We think there is a particularly strong outlook for **Dat Xanh Real Estate Service and Construction**, our small property company here.

All data as at 31.01.15. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Smaller Companies Fund



Top 5 Holdings (%)

Wasion Group	4.0
Persistent Systems	4.0
Nexteer Automotive	3.3
i-SENS	3.2
Hanjin	3.1
Total Number of Holdings	52

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	13.6x
Predicted Return on Equity (%)	20.0
Predicted Earnings Growth (%)	28.8

Risk Metrics

Beta	0.54
Alpha	5.0
Sharpe Ratio	0.51
Volatility (%)	13.9
% of the portfolio which could be sold in 2 business days	51.0

Thematic Breakdown (%)

Leisure / Tourism	17.3	
Software / Smartphones	15.5	
Brands / Beauty	11.8	
Telecoms / Infrastructure / Logistics	10.3	
Vietnam	10.2	
Automation / Internet of Things	7.8	
Financialisation	6.1	
Local Brands	6.0	
Environment	5.7	
Cash	4.8	
Healthcare	3.5	
Internet	1.1	

Geographical Breakdown (%)

Hong Kong / China	25.8	
India	13.5	
Vietnam	12.6	
Korea	10.6	
Philippines	9.5	
Thailand	8.1	
Singapore	6.7	
Cash	4.8	
Taiwan	2.9	
Malaysia	2.6	
Australia	1.1	
Indonesia	1.0	
Sri Lanka	0.7	

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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	161.60
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	161.75
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	84.75
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	222.72

Performance fee based on individual investor's holding

U GBP Unhedged Distributing	BBQ37T7	IE00BBQ37T77	97.96
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Performance fee based on fund performance as a whole

All share classes are closed to new investors as of 30th September 2013.

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