

# Prusik Asian Smaller Companies Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

28 February 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)	162.2m
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	-0.11	-0.28	-0.10
3 Month	-2.00	-1.95	-1.90
Year to Date	1.15	1.17	1.30
Since Launch	61.43	64.58	18.69
Since Launch †	7.02	7.31	3.40

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 fell by 11bps in February, reflecting our zero position in Australia which was up 6.9%. Positive contributors were Vietnamese property company **Dat Xanh Estate Service and Construction** and **Kaveri Seed Co Ltd** in India. Negative contributors were Burma conglomerate **Yoma Strategic Holdings Ltd** and Chinese waste water treatment company **Sound Global Ltd**, which was hit by a short selling note. The company refuted the allegations but we have exited the position.

Following our extensive travels to Asia this year we can see two clear trends emerging, both of which are likely to be good for Asian stock markets. We are currently repositioning the fund to take advantage of these trends.

Firstly we can see that interest rates in India, Indonesia and Vietnam could well fall substantially from here. Although we have already seen cuts in India and Indonesia recently, inflation remains fairly low (around 5% or less) and appears to be falling in all three countries, whilst local corporate lending rates are still in double digit territory. Interest rate cuts are likely to spur a new upswing in property and eventually bank lending. We are seeing the early signs of this in Indonesia, India and Vietnam.

Secondly, we are witnessing a big increase in local investor interest in equities. Partly this is being facilitated by a new generation of online "fund supermarkets" catering to smaller investors, as well as an increase in online trading at local stock brokers. However, it also reflects the growing middle class who not only have money now to travel but are also looking to save more "smartly". Local buying has been one of the drivers for the strong stock market performance in Thailand and the Philippines in the last year.

All data as at 28.02.15. Source: Prusik Investment Management LLP, unless otherwise stated.

# Prusik Asian Smaller Companies Fund



## Top 5 Holdings (%)

Wasion Group	4.4
Persistent Systems	4.4
iFAST Corporation	3.7
Nexteer Automotive	3.5
Innovalues	3.4
Total Number of Holdings	47

## Portfolio Financial Ratios

Predicted Price/Earnings Ratio	13.5x
Predicted Return on Equity (%)	20.6
Predicted Earnings Growth (%)	25.7

## Risk Metrics

Beta	0.54
Alpha	4.7
Sharpe Ratio	0.51
Volatility (%)	13.8
% of the portfolio which could be sold in 2 business days	42.0

## Thematic Breakdown (%)

Software / Smartphones	17.4	<div></div>
Leisure / Tourism	17.1	<div></div>
Telecoms / Infrastructure / Logistics	11.5	<div></div>
Automation / Internet of Things	11.3	<div></div>
Brands / Beauty	9.3	<div></div>
Vietnam	9.1	<div></div>
Financialisation	8.6	<div></div>
Healthcare	6.1	<div></div>
Local Brands	4.4	<div></div>
Environment	4.1	<div></div>
Cash	1.2	<div></div>

## Geographical Breakdown (%)

Hong Kong / China	21.4	<div></div>
Singapore	15.2	<div></div>
India	11.9	<div></div>
Vietnam	11.7	<div></div>
Korea	10.1	<div></div>
Philippines	9.9	<div></div>
Thailand	7.1	<div></div>
Indonesia	3.1	<div></div>
Taiwan	3.1	<div></div>
Malaysia	3.1	<div></div>
Australia	1.4	<div></div>
Cash	1.2	<div></div>
Sri Lanka	0.8	<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	161.43
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	161.57
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	84.51
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	222.50

Performance fee based on individual investor's holding

U GBP Unhedged Distributing	BBQ37T7	IE00BBQ37T77	95.78
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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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