

# Prusik Asian Smaller Companies Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

30 November 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)	51.0m
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	-2.71	-2.62	-2.65
3 Month	-0.69	-0.59	-0.48
Year to Date	-12.09	-11.53	-11.61
Since Launch	40.30	43.91	3.56
Since Launch <sup>†</sup>	4.43	4.77	0.60

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 November the Prusik Asian Smaller Companies Fund fell 2.7%, which was just 27 basis points behind the index. The small underperformance was partly driven by a correction in smartphone case maker, **Tongda Group**, which is and remains one of the fund's top contributors to performance this year, and partly driven by Vietnam, which also saw a correction after gaining good ground since August. We remain positive on Vietnam. Whilst in Korea we learned that out of the 350 million handsets Samsung Electronics currently makes, 150 million are made in China and 150 million are made in Vietnam. By 2018 Samsung Electronics is planning to produce 500 million handsets but make just 100 million in China and 350 million in Vietnam! This example may sound trite, but in a nutshell it is a good example of why Vietnam's future remains bright.

Following our recent visit to Taiwan and Korea we have reduced our exposure to the China infrastructure theme in favour of newer themes. For example, we have added to our intelligent / electric vehicle theme via a new holding in **Woory Industrial**, which makes climate control units for electric cars. Unlike traditional cars the heater in an electric vehicle has to run off the battery, so energy efficiency is key. Safety is also a critical issue. **Woory Industrial** has leading technology in this area and already supplies climate control units to Nissan, Toyota, Mazda and Tesla and is looking to penetrate the Chinese auto makers. Management expect volume growth of 4-5x between 2015 and 2018.

We have also bought a new position in **PChome Online**, which is Taiwan's leading e-commerce company. After a slow start to e-commerce in Taiwan the company is doing well and, anecdotally, everyone was talking about internet shopping even though it is only 4.5% of retail, which is still very low compared with other countries in Asia.

All data as at 30.11.15. Source: Prusik Investment Management LLP, unless otherwise stated.

# Prusik Asian Smaller Companies Fund



## Top 5 Holdings (%)

iFast Corp Ltd	7.1
Major Cineplex Group PCL	5.6
Philippine Seven Corporation	5.3
Tongda Group Holdings Limited	5.1
FPT Corporation	4.8
Total Number of Holdings	29

## Portfolio Financial Ratios

Predicted Price/Earnings Ratio	12.2x
Predicted Return on Equity (%)	21.8

## Risk Metrics

Beta	0.57
Alpha	3.27
Sharpe Ratio	0.32
Volatility (%)	14.02
% of the portfolio which could be sold in 2 business days	46.12

## Thematic Breakdown (%)

Vietnam	19.8	<div></div>
Leisure/Tourism	18.8	<div></div>
Financialisation	18.3	<div></div>
Sensors	13.1	<div></div>
Local Brands	11.2	<div></div>
Smart Textiles	7.4	<div></div>
Intelligent/Electric Car	5.7	<div></div>
Infrastructure	5.1	<div></div>
Cash	0.6	<div></div>

## Geographical Breakdown (%)

Hong Kong/China	21.6	<div></div>
Vietnam	19.8	<div></div>
Singapore	10.6	<div></div>
India	9.8	<div></div>
Taiwan	9.5	<div></div>
Philippines	8.6	<div></div>
Thailand	5.6	<div></div>
Korea	4.3	<div></div>
Malaysia	3.7	<div></div>
Australia	3.3	<div></div>
Sri Lanka	2.6	<div></div>
Cash	0.6	<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	140.30
B USD	Unhedged	Distributing	B2PKN32	IE00B2PKN327	140.40
C GBP	Hedged	Distributing	B2PKN43	IE00B2PKN434	73.90
D SGD	Hedged	Distributing	B3M3HJ5	IE00B3M3HJ55	194.14
Performance fee based on individual investor's holding					
U GBP	Unhedged	Distributing	BBQ37T7	IE00BBQ37T77	85.33
Performance fee based on fund performance as a whole					

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