# Prusik Asian Smaller Companies Fund



# LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

# 30 April 2014

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)	185.5m
Launch Date	8 February 2008
Fund Manager	<b>Heather Manners</b>
Fund Structure	UCITS III
Domicile	Dublin
Currencies	USD (base), GBP, SGD

#### Performance (%)

-	A USD	C GBP	D SGD
	-2.50	-2.49	-2.52
	-1.66	-1.69	-1.72
	-1.46	-1.50	-1.48
	62.96	65.20	19.53
†	8.16	8.39	4.25
	†	-1.66 -1.46 62.96	-2.50 -2.49 -1.66 -1.69 -1.46 -1.50 62.96 65.20

Source: Bloomberg.

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

### **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**

April was a very difficult month for small cap and growth stocks which were sold heavily across the board. This impacted the portfolio and those most severely affected were internet and technology companies. We have spent most of the month trying to ascertain whether there is any fundamental basis to this sell-off and find little, at stock level, to be concerned about or which makes us want to change our positioning. Major fears seem to be stemming from political situations outside of Asia and general fears over China's slowing economy.

We have reduced some but not all of our exposure to growth, selling some internet related companies . We have added to **Tune Insurance** (travel insurance) and bought new holdings in **Naturalendo**, a Korean healthcare company with 80% market share in the treatment of menopause, and **Eros**, an Indian film company. At the time of writing the extent of the falls and some of the subsequent valuations are starting to look attractive again. This has not gone unnoticed at the corporate level and we are now seeing major share buybacks, director buying and M&A announcements.

While it is always difficult to argue that this time is different, as May approaches, we do highlight four differences between this year and the past four years:

- MSCI Asia ex-Japan's current price-to-book at 1.55x is the lowest of the last five years.
- The price-to-book gap between MSCI Asia ex-Japan and the World at -0.48x is the biggest of the last five years.
- Macro data appears to be bottoming earlier than in the last five years.
- Net foreign buying in Asia, on a rolling 12-months basis, is the second lowest of the last five years.

All data as at 30.04.14. Source: Prusik Investment Management LLP, unless otherwise stated.

<sup>&</sup>lt;sup>†</sup>Annualised Since Launch Performance

# Prusik Asian Smaller Companies Fund



### Top 5 Holdings (%)

Silverlake Axis	3.2
Gome Electrical	3.1
RFM Corporation	2.8
Hainan Meilan Intl	2.8
Interpark Corporation	2.7
Total Number of Holdings	61

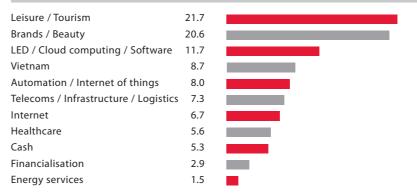
#### **Portfolio Financial Ratios**

Predicted Price/Earnings Ratio	14.0x
Predicted Return on Equity (%)	18.6
Predicted Earnings Growth (%)	29.3

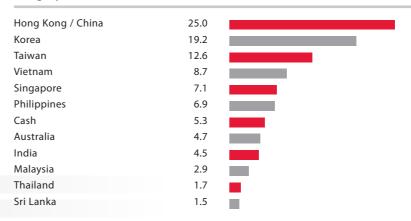
#### **Risk Metrics**

Beta			0.56
Alpha			6.2
Sharpe Ratio			0.59
Volatility (%)			14.2
% of the port	folio	which could be	
sold in 2 busin	ness	days	74.0

#### Thematic Breakdown (%)



## Geographical Breakdown (%)



All data as at 30.04.14. Source: Prusik Investment Management LLP, unless otherwise stated.

# **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 C	lass		Sedol	ISIN	Month-end NAV
A USD	Unhedged	Non distributing	B2PKN21	IE00B2PKN210	162.96
B USD	Unhedged	Distributing	B2PKN32	IE00B2PKN327	163.11
C GBP	Hedged	Distributing	B2PKN43	IE00B2PKN434	84.83
D SGD	Hedged	Distributing	B3M3HJ5	IE00B3M3HJ55	224.07
Perform	nance fee base	ed on individual inve	stor's holding		
U GBP	Unhedged	Distributing	BBQ37T7	IE00BBQ37T77	88.60
Perform	nance fee base	ed on fund performa	nce as a whole		
All shar	e classes are o	closed to new investo	ors as of 30th Se	eptember 2013.	

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