

Prusik Asian Smaller Companies Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

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	Heather Manners
Fund Structure	UCITS III
Domicile	Dublin
Currencies	USD (base), GBP, SGD

Performance (%)

	A USD	C GBP	D SGD
1 Month	-2.50	-2.49	-2.52
3 Month	-1.66	-1.69	-1.72
Year to Date	-1.46	-1.50	-1.48
Since Launch	62.96	65.20	19.53
Since Launch [†]	8.16	8.39	4.25

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

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.

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 portfolio which could be sold in 2 business days	74.0

Thematic Breakdown (%)

Leisure / Tourism	21.7	
Brands / Beauty	20.6	
LED / Cloud computing / Software	11.7	
Vietnam	8.7	
Automation / Internet of things	8.0	
Telecoms / Infrastructure / Logistics	7.3	
Internet	6.7	
Healthcare	5.6	
Cash	5.3	
Financialisation	2.9	
Energy services	1.5	

Geographical Breakdown (%)

Hong Kong / China	25.0	
Korea	19.2	
Taiwan	12.6	
Vietnam	8.7	
Singapore	7.1	
Philippines	6.9	
Cash	5.3	
Australia	4.7	
India	4.5	
Malaysia	2.9	
Thailand	1.7	
Sri Lanka	1.5	

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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	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

Performance fee based on individual investor's holding

U GBP Unhedged Distributing	BBQ37T7	IE00BBQ37T77	88.60
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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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