

Prusik Asian Smaller Companies Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 July 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)	192.4m
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	-1.39	-1.38	-1.41
3 Month	1.59	1.64	1.54
Year to Date	0.11	0.12	0.04
Since Launch	65.55	67.91	21.37
Since Launch [†]	8.09	8.33	4.36

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

July was a disappointing month for the fund which fell 1.4%. There were a number of contributing factors. The key detractor from performance was **eMemory**, an IP centric tech stock in Taiwan. There were two reasons for its share price weakness. Firstly, its 2Q results were worse than expected owing to orders being delayed until the second half. Secondly, the regulator placed trading restrictions on the stock owing to what we believe were misplaced concerns. To our minds, these are technical not fundamental issues and we still think the company looks very attractive. At the time of writing the stock has already recovered 22% of its recent losses.

Further, although the fund has around 23% in Hong Kong and China, frustratingly, it failed to fully reap the benefits of these markets' strong performance in July. This is largely owing to the fact that much of this strong performance was concentrated amongst the large cap stocks, driven by positive reform related news flow. To give a flavour, the main HSI index in Hong Kong was up 7.4% in July, whilst the HSSI small cap index in Hong Kong was only up 3.7%.

Recent changes to the fund include buying a number of exciting high growth companies in India following a fruitful trip there in July and adding to **Wasion** in Hong Kong which we believe remains misunderstood by the market.

All data as at 31.07.14. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Smaller Companies Fund



Top 5 Holdings (%)

Silverlake Axis	4.2
Naturalendo Tech Co.	3.1
Ezion Holdings	3.0
Gome Electrical	2.8
7-Eleven Malaysia	2.7
Total Number of Holdings	57

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	13.1x
Predicted Return on Equity (%)	20.2
Predicted Earnings Growth (%)	23.4

Risk Metrics

Beta	0.55
Alpha	5.2
Sharpe Ratio	0.57
Volatility (%)	14.1
% of the portfolio which could be sold in 2 business days	71.8

Thematic Breakdown (%)

Leisure / Tourism	17.8	
LED / Cloud computing / Software	17.1	
Brands / Beauty	16.4	
Automation / Internet of things	8.1	
Vietnam	8.1	
Cash	7.3	
Telecoms / Infrastructure / Logistics	5.0	
Financialisation	4.9	
Internet	4.9	
Healthcare	3.0	
Energy services	3.0	
Local Brands	2.7	
Environment	1.6	

Geographical Breakdown (%)

Hong Kong / China	23.1	
Korea	15.6	
Taiwan	11.8	
Singapore	9.5	
Vietnam	8.1	
Cash	7.3	
Malaysia	6.6	
India	5.4	
Philippines	4.4	
Thailand	4.2	
Australia	3.3	
Sri Lanka	0.6	

All data as at 31.07.14. 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 Class	Sedol	ISIN	Month-end NAV
A USD Unhedged Non distributing	B2PKN21	IE00B2PKN210	165.55
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	165.70
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	86.22
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	227.52

Performance fee based on individual investor's holding

U GBP Unhedged Distributing	BBQ37T7	IE00BBQ37T77	89.65
-----------------------------	---------	--------------	-------

Performance fee based on fund performance as a whole

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

This document is issued by Prusik Investment Management LLP and is for private circulation and information purposes only. Prusik Investment Management LLP is authorised and regulated by the Financial Conduct Authority in the United Kingdom. The information contained in this document is strictly confidential and does not constitute investment advice, nor an offer or solicitation to buy or sell any securities and or derivatives or to make any investment decision and may not be reproduced, distributed or published by any recipient for any purpose without the prior written consent of Prusik Investment Management LLP.

The value of investments and any income generated may go down as well as up and is not guaranteed. You may not get back the amount originally invested. Past performance is not a guide to, or indicative of, future results. Changes in exchange rates may have an adverse effect on the value, price, or income of investments.

The information and opinions contained in this document are for background purposes only, and do not purport to be full or complete. Please refer to the fund prospectus for more detail. The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors and investors alike should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of shares under the laws of the jurisdictions in which they may be subject to tax. No representation, warranty, or undertaking, express or limited, is given as to the accuracy or completeness of the information or opinions contained in this document by any of Prusik Investment Management LLP, its partners or employees and no liability is accepted by such persons for the accuracy or completeness of any such information or opinions. As such, no reliance may be placed for any purpose on the information and opinions contained in this document.