

# Prusik Asian Smaller Companies Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

29 August 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)	195.8m
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	2.86	2.92	2.84
3 Month	3.91	3.94	3.86
Year to Date	2.97	3.04	2.88
Since Launch	70.28	72.81	24.82
Since Launch <sup>†</sup>	8.45	8.69	4.91

Source: Bloomberg.

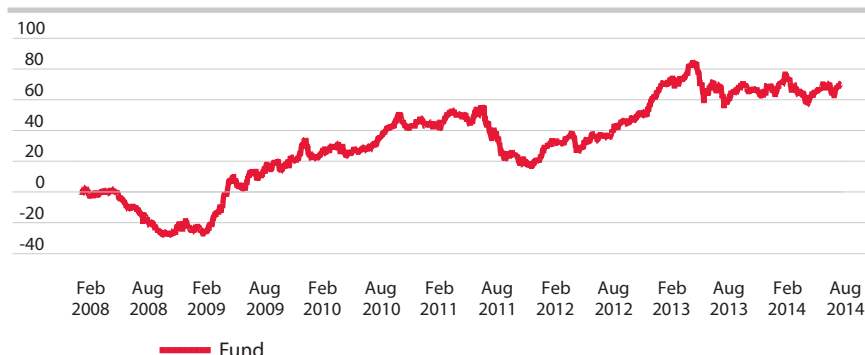
Launch Date: A: 08.02.08, C: 25.03.08, D: 15.01.10

<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.

### Fund Performance - Class A USD (%)



Source: Bloomberg. Total return net of fees.

### Fund Manager Commentary

August was a good month for the portfolio which rose 2.9% versus the MXAPJ index rise of 0.9%. Our stocks in Vietnam were amongst the better performers as sentiment there recovered post the geopolitical spat with China earlier in the summer. Elsewhere, India also held a steady course with two of our newer holdings, **Ceat** (domestic tyre brand) and **Kaveri Seed**, (domestic seed company) doing especially well. Thematically our "connected car" holdings, **Bizlink** (Taiwan listed wire harness maker) and **Nexteer** (Hong Kong listed company benefitting from the rise in demand for electric power steering) both enjoyed a good month.

We currently hold 14.8% in Korea which looks set to do well, driven by the recently announced reforms. In short, the proposed new government policy is aimed at transferring cash from company balance sheets to the hands of consumers. The net impact will be far reaching, not just in terms of a possible boost to the flagging domestic consumption picture, but also in terms of the potential for companies to increase dividend payments. More efficient capital allocation by corporates could also be a by-product. All these factors should be very positive for the market. Meanwhile, evidence is gathering of a cyclical recovery. In August, Korean mortgage loan growth jumped nearly 50% year on year! Elsewhere we have continued to increase concentration in the portfolio, including adding to **Wasion**, a smart meter maker and beneficiary of the "big data" theme, which we are very positive on.

Over the summer the Asian index has crept up, breaking the three year "dead patch" of performance and signalling, in our opinion, that now is the time to review Asia in global portfolios.

All data as at 29.08.14. Source: Prusik Investment Management LLP, unless otherwise stated.

# Prusik Asian Smaller Companies Fund



## Top 5 Holdings (%)

Silverlake Axis	4.3
Naturalendo Tech Co.	3.4
Wasion Group	3.1
Ezion Holdings	3.0
Kaveri Seed Co Ltd	2.9
Total Number of Holdings	54

## Portfolio Financial Ratios

Predicted Price/Earnings Ratio	13.8x
Predicted Return on Equity (%)	21.0
Predicted Earnings Growth (%)	21.9

## Risk Metrics

Beta	0.55
Alpha	5.6
Sharpe Ratio	0.60
Volatility (%)	14.1
% of the portfolio which could be sold in 2 business days	62.7

## Thematic Breakdown (%)

Leisure / Tourism	15.8	
LED / Cloud computing / Software	15.3	
Brands / Beauty	15.1	
Automation / Internet of things	9.7	
Vietnam	8.7	
Cash	6.8	
Local Brands	5.3	
Telecoms / Infrastructure / Logistics	5.0	
Financialisation	4.8	
Environment	4.7	
Healthcare	3.2	
Energy services	3.0	
Internet	2.7	

## Geographical Breakdown (%)

Hong Kong / China	22.8	
Korea	14.8	
India	11.3	
Singapore	9.7	
Vietnam	8.7	
Taiwan	8.0	
Cash	6.8	
Malaysia	6.2	
Thailand	4.2	
Philippines	4.1	
Australia	2.8	
Sri Lanka	0.6	

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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	170.28
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	170.44
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	88.74
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	233.99

Performance fee based on individual investor's holding

U GBP Unhedged Distributing	BBQ37T7	IE00BBQ37T77	94.10
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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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