

# Prusik Asian Smaller Companies Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 December 2014

Quarterly 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)	167.7m
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	-3.11	-3.09	-3.16
3 Month	-6.57	-6.32	-6.51
2014	-3.49	-3.01	-3.43
Since Launch	59.60	62.67	17.17
Since Launch †	7.01	7.30	3.24

Source: Bloomberg.

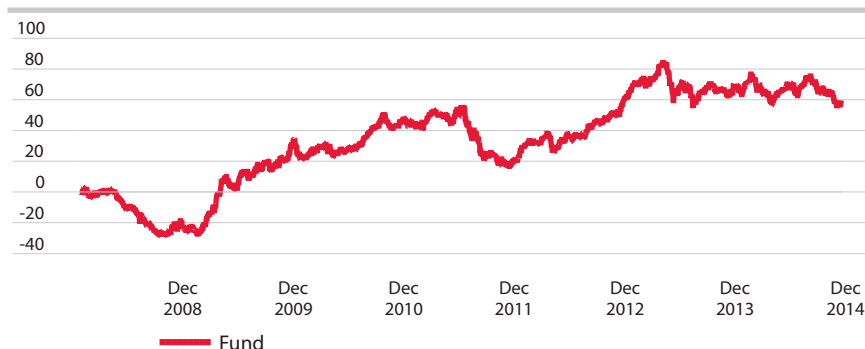
Launch Date: A: 08.02.08, C: 25.03.08, D: 15.01.10

† Annualised Since Launch Performance

## Investment Process

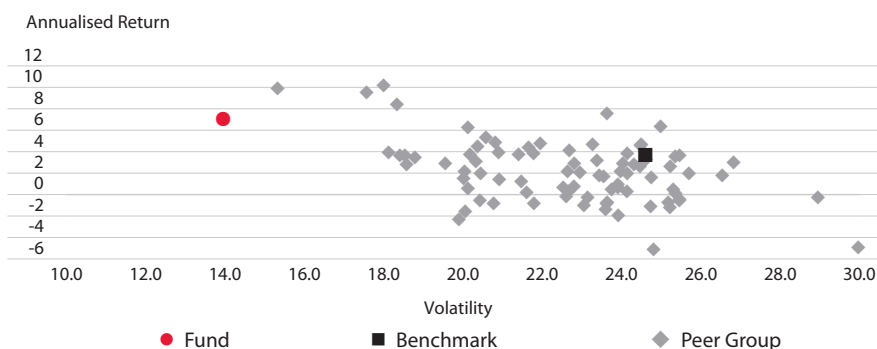
With anomalies as a start point, the investment process seeks to identify and invest in key 'themes' in the Pacific region. Our themes are driven by factors outside of the normal economic cycle and are not yet discounted by the market. Companies are identified and chosen via rigorous bottom-up analysis 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.

## Risk Adjusted Performance - Class A USD (%)



Source: Bloomberg. Annualised return and 1 year volatility versus the peer group (open ended offshore Asia Pacific ex Japan Equity Fund Index), 8.02.08 to 31.12.14

## Fund Manager Commentary

The fund finished slightly behind the index in December, driven mainly by our low exposure to China, which stole the limelight from an index perspective. On the negative side, all other markets fell in December with Thailand and Vietnam leading the way.

Notwithstanding this, two of our best performing companies in December included Thai cinema chain operator, **Major Ciniplex**, and **Samart** which provides mobile phone services in Thailand but also, interestingly, owns the air traffic control service in Cambodia. Indian software company **Persistent Systems** also did well. **Persistent** has a big focus on data and cloud solutions as well as mobile and social media software, all of where there is strong growth.

Recent additions to the fund include **Beijing Urban Construction** which is one of China's leading designers of subway systems. The company runs an asset light model and has a 22% market share, but its 7 competitors are at or near full capacity. Underground railways are still an area the government is keen to spend on, indeed there currently exists some 2,000 km of underground railways in China but the central government has targeted 8,000km by 2020, whilst regional governments have additionally proposed a further 6,000km! Management believe the company can grow its earnings at a 20% CAGR in the coming 3 to 5 years and at current levels. The stock is trading on a 2015e P/E of 9x and has a 3.3% dividend yield.

All data as at 31.12.14. Source: Prusik Investment Management LLP, unless otherwise stated.

# Prusik Asian Smaller Companies Fund



## Top 5 Holdings (%)

Wasion Group	4.0
Persistent Systems	3.8
eMemory Technology Inc.	3.5
Sunny Optical	3.2
i-SENS	3.2
Total Number of Holdings	52

## Portfolio Financial Ratios

Predicted Price/Earnings Ratio	13.3x
Predicted Return on Equity (%)	19.7
Predicted Earnings Growth (%)	32.7

## Risk Metrics

Beta	0.54
Alpha	5.0
Sharpe Ratio	0.50
Volatility (%)	14.0
% of the portfolio which could be sold in 2 business days	48.3

## Thematic Breakdown (%)

Leisure / Tourism	19.0	
Software / Smartphones	18.7	
Brands / Beauty	11.2	
Telecoms / Infrastructure / Logistics	10.2	
Vietnam	9.3	
Automation / Internet of Things	6.9	
Environment	6.0	
Financialisation	4.8	
Local Brands	3.9	
Healthcare	3.2	
Internet	2.4	
Cash	2.3	
Energy services	2.0	

## Geographical Breakdown (%)

Hong Kong / China	31.0	
India	13.0	
Korea	10.6	
Vietnam	9.3	
Thailand	7.7	
Singapore	7.5	
Philippines	6.9	
Taiwan	5.7	
Malaysia	2.8	
Cash	2.3	
Australia	1.6	
Indonesia	0.9	
Sri Lanka	0.7	

All data as at 31.12.14. 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	159.60
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	159.74
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	83.53
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	219.65

Performance fee based on individual investor's holding

U GBP Unhedged Distributing	BBQ37T7	IE00BBQ37T77	93.54
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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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