

Prusik Asian Smaller Companies Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 May 2013

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)	154.2m
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	3.58	3.70	3.81
3 Month	5.47	5.54	5.63
Year to Date	18.91	19.52	19.24
Since Launch†	82.90	86.84	34.40
2012	30.80	31.05	30.69
2011	-19.28	-19.86	-20.04
2010	16.43	16.90	7.90
2009	59.70	56.10	-
2008	-21.60	-18.40	-

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. Since launch: 08.02.08

Fund Manager Commentary

The fund had a very good May relative to the index, mainly thanks to its low weighting in Australia which fell over 12% in US dollar terms. Smaller companies continued to do well, bucking the general trend of weakness in the markets. Dispersion of returns was very high with frontier markets in ASEAN doing particularly well. Vietnam and Sri Lanka returned over 10% and 8%, respectively, in US dollar terms over the month whilst Indonesia also rose against the trend.

With such powerful moves it is unsurprising that June to date has seen some sharp corrections amongst the better performers. We think this is healthy but also caution that there are shorter term signs that liquidity is contracting. That being said the MXAPJ index is now on 1.55x P/B which is just 10% above a typical recession P/B of 1.4x and 22% below a 'normal' P/B of 1.9x. It is worth noting that over the past 15 years you have made 22% annual returns by buying MXAPJ between 1.4x and 1.6x P/B and never lost money on a 12 month basis!

We have added some exposure in Malaysia and Korea in the tourism and entertainment themes where there remains attractive value. We have slightly more cash than normal which we will be putting to work in the coming days if the market continues to correct towards recession level valuations. We could soon be approaching a very attractive entry point for investors who remain underweight Asia.

All data as at 31.05.13. Source: Prusik Investment Management LLP, unless otherwise stated.

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Prusik Asian Smaller Companies Fund



Top 5 Holdings (%)

Airports of Thailand	3.9
Kolao Holdings	3.3
Sino Grandness Food Industry	3.2
Silverlake Axis	2.6
Thai Tap Water Supply	2.6
Total Number of Holdings	68

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	12.0x
Predicted Return on Equity (%)	22.4
Predicted Earnings Growth (%)	21.1

Risk Metrics

Beta	0.56
Alpha	10.1
Sharpe Ratio	0.83
Volatility (%)	14.5
% of the portfolio which could be sold in 2 business days	73.3

Thematic Breakdown (%)

Infrastructure	26.7	
ASEAN Consumer	15.4	
Local brands	14.8	
Domestic Consumer	8.5	
Entertainment/Tourism	8.1	
Cash	7.6	
Vietnam	5.1	
Oil Services	4.6	
Tablet/Smartphones/OLED	3.3	
Gold	2.9	
Singapore Office	1.8	
Financial Services	1.1	
Healthcare	0.2	

Geographical Breakdown (%)

Thailand	19.4	
Singapore	16.3	
Malaysia	13.1	
Philippines	12.0	
Korea	9.3	
Hong Kong/China	7.7	
Cash	7.6	
Vietnam	4.5	
Indonesia	3.9	
Australia	2.1	
India	2.1	
Taiwan	1.9	

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Management Fees

Annual Management Fee	1.5% p.a. Paid monthly in arrears
Performance Fee	10% NAV appreciation with a 6% hurdle

Dealing

Dealing Line	+353 1 4367 200
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	182.90
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	183.08
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	95.94
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	251.95

Performance fee based on individual investors' holding

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