

Prusik Asian Smaller Companies Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 July 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)	165.5m
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	0.10	-0.07	0.05
3 Month	-6.07	-6.30	-5.87
Year to Date	7.83	8.00	8.12
Since Launch	65.86	68.82	21.87
Since Launch [†]	9.67	10.03	5.93

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

After the correction of the past 2 months, stocks rallied in July. The fund finished the month in positive territory but lagged the index largely due to its exposure to Thailand, Indonesia and Sri Lanka where all three indices fell. For example, Indonesia lost over 7% in US dollar terms but by contrast Hong Kong and Australia were up 5% and 6.8% respectively.

At the stock level strong contributions came from our modern retail and local brand themes. In particular, **Philippine Seven Corp**, which operates the 7-11 convenience store franchise in the Philippines had a very good month, while **Sino Grandness** which makes the top end juice brand 'Garden Fresh' for the China market saw revenue from this business up 48% yoy in 2Q 2013. We expect management may spin off this business, extracting further value in due course. This stock remains under researched and is still trading on a forward P/E of just 4.5x despite having risen nearly 3 fold since our initial purchase. It is worth noting that elsewhere in the region companies owning strong brand names in the packaged food and modern retail segments have traded to P/E multiples of well over 20x.

The average EPS forecast (as per Bloomberg) for the stocks held in the fund is 22.9% for the coming year and the average P/E is 10.4x, so any further correction from current levels will, therefore, herald some very attractive buying opportunities.

All data as at 31.07.13. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Smaller Companies Fund



Top 5 Holdings (%)

Kolao Holdings	3.0
Sino Grandness Food Industry	2.9
Kreuz Holdings	2.4
Silverlake Axis	2.4
Super Group Ltd	2.4
Total Number of Holdings	69

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	10.4x
Predicted Return on Equity (%)	21.8
Predicted Earnings Growth (%)	22.9

Risk Metrics

Beta	0.56
Alpha	8.2
Sharpe Ratio	0.66
Volatility (%)	14.6
% of the portfolio which could be sold in 2 business days	77.4

Thematic Breakdown (%)

Infrastructure	24.8	
ASEAN Consumer	13.8	
Domestic Consumer	12.2	
Local brands	12.0	
Cash	10.4	
Tablet/Smartphones/OLED	7.1	
Entertainment/Tourism	6.7	
Oil Services	5.2	
Vietnam	4.1	
Singapore Office	1.6	
Financial Services	1.0	
Gold	0.9	
Healthcare	0.2	

Geographical Breakdown (%)

Thailand	17.3	
Korea	17.1	
Singapore	17.0	
Cash	10.4	
Philippines	10.3	
Malaysia	9.5	
Hong Kong/China	5.3	
Vietnam	3.7	
Taiwan	2.6	
Indonesia	2.3	
India	1.8	
Sri Lanka	1.6	
Australia	1.1	

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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 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	165.86
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	166.02
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	86.69
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	228.46
Performance fee based on individual investor's holding			
U GBP Unhedged Distributing	BBQ37T7	IE00BBQ37T77	99.69
Performance fee based on fund performance as a whole			

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