

Prusik Asian Smaller Companies Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

30 August 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)	156.3m
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	-4.52	-4.58	-4.53
3 Month	-13.41	-13.78	-13.43
Year to Date	2.96	3.05	3.23
Since Launch	58.37	61.09	16.36
Since Launch †	8.62	8.95	4.27

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

In August there was a very severe correction in ASEAN which was in marked contrast to the performance in North Asia where China, Korea, Taiwan and Hong Kong ended the month between flat and up 5%. The worst performing market was Indonesia which fell 17% in US dollar terms. Owing to this the contributions from Hong Kong, China and Korea supported the fund this month. It is worth re-emphasising that we had slightly reduced our ASEAN exposure during July, which helped somewhat during August. At the end of August our ASEAN weighting was 44.4%, down from 56% in June. We also added a few new holdings in North Asia, taking our weighting in Korea up to about 17% and our weighting in Hong Kong and China up to 13.5%.

Valuations in the fund remain very low. Indeed the average forward P/E on the fund is now 9.6x with a ROE of 21.5% and forward EPS growth of 27.5%. Hence it is hard to argue, given our weightings in ASEAN, that stocks there are too expensive. Moreover, we feel that many of our companies have very bright futures ahead which could span a decade or more. While there may be a period of consolidation for ASEAN as the export driven countries of North Asia discount cyclical recovery, this will be a great time to buy the better quality smaller companies in ASEAN at attractive valuations.

All data as at 30.08.13. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Smaller Companies Fund



Top 5 Holdings (%)

Kolao Holdings	3.2
Magic Holdings International	2.9
Sino Grandness Food Industry	2.5
Silverlake Axis	2.5
Lian Beng Group Ltd	2.5
Total Number of Holdings	69

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	9.6x
Predicted Return on Equity (%)	21.5
Predicted Earnings Growth (%)	27.5

Risk Metrics

Beta	0.56
Alpha	7.2
Sharpe Ratio	0.59
Volatility (%)	14.6
% of the portfolio which could be sold in 2 business days	71.1

Thematic Breakdown (%)

Infrastructure	18.9	
Domestic Consumer	17.0	
ASEAN Consumer	12.5	
Local brands	12.3	
Cash	11.5	
Entertainment/Tourism	7.0	
Tablet/Smartphones/OLED	6.9	
Oil Services	5.3	
Vietnam	3.9	
Financial Services	2.4	
Gold	1.1	
Healthcare & Beauty	1.1	

Geographical Breakdown (%)

Korea	17.5	
Singapore	16.2	
Cash	11.5	
China	10.1	
Philippines	9.3	
Malaysia	8.5	
Thailand	7.7	
Taiwan	7.2	
Vietnam	3.9	
Indonesia	2.3	
India	1.9	
Sri Lanka	1.7	
Australia	1.4	
Hong Kong	0.8	

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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	158.37
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	158.52
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	82.72
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	218.12

Performance fee based on individual investor's holding

U GBP Unhedged Distributing	BBQ37T7	IE00BBQ37T77	93.04
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Performance fee based on fund performance as a whole

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