

Prusik Asian Smaller Companies Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 October 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)	190.5m
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	2.84	2.89	2.77
3 Month	1.68	1.43	1.48
Year to Date	9.63	9.54	9.72
Since Launch	68.64	71.24	23.67
Since Launch †	9.55	9.84	5.76

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

Asian markets continued to climb higher in October, led by North Asia and Australia. Whilst the portfolio had little exposure to Australia, the orientation of the portfolio over the summer - reducing ASEAN and increasing China and Korea - meant that we lagged a strong market by only a small margin.

Significant positive contributions from the month came from our holdings in the Philippines, China and Hong Kong; Chinese retail brands, **Gome** and **Li Ning**, in particular did well. ASEAN continued to take rather more of a back seat, with Thailand seeing a strong reversal mid month as the government tried to pass the Amnesty Bill. The Bill has provoked widespread dissent and more recently some street protests as the opposition views it as a precursor to allowing banished ex-Prime Minister, Thaksin, back into Thailand and Thai politics. We have just returned from a research visit to Thailand and, as is often the way during these political moments, on the ground it was very much business as usual with companies still demonstrating very encouraging growth. That being said we are now at under 10% weighing in Thailand, so events there present comparatively little risk and we are hoping for a good buying opportunity.

This month we have also visited and added to a number of holdings in Hong Kong and China and feel the economy here is growing better than expected. Our weighting here, with exposure to Chinese tourism, local brands, beauty, property and packaged food themes, has risen steadily. We have recently bought **Hainan Meilan Airport**, the main airport on Hainan island which is an increasingly popular domestic holiday destination and one which has been targeted by the government for a doubling in tourist arrivals from 30 million in 2011 to 77 million by 2020!

All data as at 31.10.13. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Smaller Companies Fund



Top 5 Holdings (%)

Gome Electrical	3.3
Li Ning Co	3.1
Kolao Holdings	2.8
Siloam International	2.8
Sino Grandness Food Industry	2.5
Total Number of Holdings	71

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	11.7x
Predicted Return on Equity (%)	19
Predicted Earnings Growth (%)	24.4

Risk Metrics

Beta	0.56
Alpha	7.2
Sharpe Ratio	0.66
Volatility (%)	14.5
% of the portfolio which could be sold in 2 business days	73.0

Thematic Breakdown (%)

Domestic Consumer	22.8	
Infrastructure	14.6	
Local brands	11.3	
ASEAN Consumer	10.2	
Entertainment/Tourism	8.7	
Smartphones/Internet	8.1	
Vietnam	6.5	
Healthcare	3.9	
Oil Services	3.4	
Cash	3.4	
Financial Services	2.1	
Beauty	2.1	
Other	2.7	

Geographical Breakdown (%)

Hong Kong / China	19.2	
Korea	15.5	
Singapore	13.0	
Thailand	9.9	
Philippines	9.8	
Taiwan	7.4	
Malaysia	7.4	
Vietnam	5.9	
Cash	3.4	
Indonesia	2.8	
India	2.2	
Australia	2.0	
Sri Lanka	1.4	

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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	168.64
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	168.79
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	87.93
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	231.83

Performance fee based on individual investor's holding

U GBP Unhedged Distributing	BBQ37T7	IE00BBQ37T77	96.45
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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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