

Prusik Asian Smaller Companies Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 January 2012

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)	75.1m
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	5.05	4.88	4.99
3 Month	-1.79	-1.70	-1.85
Year to Date	5.05	4.88	4.99
Since Launch	23.54	28.94	-9.45
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 portfolio rose by 5.0% in January. The biggest contributors to the rise were Myanmar based conglomerate **Yoma Strategic**, gold miner **Perseus Mining** and Thai construction company **Sino Thai**. Detractors mainly came in the form of last year's best performing defensive companies and included **Bangkok Dusit Medical**. **PC Home Online** was also a disappointing performer.

There is an old saying 'Don't fight the Fed' but it is likely to be applicable to all central banks. The European Central Bank program to lend unlimited three year money to the banks is a form of quantitative easing. Emerging market banks are already joining the fray. Inflation is gradually falling. Moreover, this is taking place against a backdrop of very attractive valuations in Asia.

Indeed, the PE of the Shanghai index, now at 12.9x 2012 earnings, has never been lower while ROE is at a healthy 15.1%. Furthermore, analysis in Hong Kong suggests that since 1993, whenever the P/B has fallen to below 1.4x there is a 100% probability of a 48% or more return in the subsequent year. Hong Kong P/B currently stands at 1.3x. At current valuations we also believe there is over 100% upside in Vietnam whilst other ASEAN markets, such as the Philippines, warrant at least 15%-20% upside from here.

In January, we reduced the healthcare and cash weightings in favour of increasing cheap cyclical with good franchise businesses. Our focus is on ASEAN, China and Hong Kong, Gold and specific technology themes such as mobile gaming.

All data as at 31.01.12. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Smaller Companies Fund



Top 5 Holdings (%)

Bangkok Dusit Medical Services	4.0
Hemaraj Land Devopment	3.9
KPJ Healthcare Berhad	3.8
Sino Thai Engineering & Construction	3.4
Alliance Financial Group	3.3
Total Number of Holdings	50

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	12.5x
Predicted Return on Equity (%)	19.2
Predicted Earnings Growth (%)	33.0

Thematic Breakdown (%)

Asean Linkage/Domestic Growth	30.9	
Domestic Consumption Services	14.6	
Cash	9.9	
Healthcare	9.3	
Singapore Office	4.9	
Mobile Gaming	4.4	
Gold	4.3	
Tablet/Smartphones	4.0	
Financial Services	3.8	
Water	3.2	
OLED	3.0	
Environment	2.2	
Vietnam	2.1	
Other Themes	3.5	

Geographical Breakdown (%)

Thailand	16.8	
Hong Kong/China	12.2	
Singapore	12.1	
Philippines	10.6	
Cash	9.9	
Australia	9.6	
Korea	7.3	
Malaysia	7.1	
Taiwan	4.5	
Indonesia	4.0	
India	3.5	
Vietnam	2.3	

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Management Fees

Annual Management Fee
1.5% p.a. Paid monthly in arrears
Performance Fee
10% of 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	123.54
B USD	Unhedged	Distributing	B2PKN32	IE00B2PKN327	123.66
C GBP	Hedged	Distributing	B2PKN43	IE00B2PKN434	64.24
D SGD	Hedged	Distributing	B3M3HJ5	IE00B3M3HJ55	169.74

Performance fee based on individual investors' holding

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