

Prusik Asian Smaller Companies Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 May 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)	76.8m
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	-5.53	-5.38	-5.51
3 Month	-2.51	-2.46	-2.49
Year to Date	10.35	10.19	10.02
Since Launch [†]	29.77	35.47	-5.11
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 fell 5.5% in May compared to a fall in the index of 10.3%. Currencies were also weak with the Indian Rupee (down 8.3%) and the Australian dollar (down 6.6%) especially badly hit. Our Australian dollar hedge was useful protection in May. The fund's relative performance was driven by our relatively high weightings in less badly affected markets. Vietnam, the Philippines, Malaysia and Taiwan were the best performing markets, while Hong Kong/China, India and Australia were the worst. At the stock level the best contributors to performance were our Korean mobile gaming companies, **Com2us** and **Gamevil**. Detractors to the month's effort included Thai industrial estate owner, **Hemaraj Land**, palm oil and timber company, **Ta Ann**, and Australian pharma company, **Starpharma**.

The fund remains fully invested and very few changes were made over the month. We did add gently to our gold mining companies after seeing very sharp falls in May. We were especially interested to see the Philippines announce that their central bank has made the second biggest purchase of gold in history, 45 tonnes purchased in March, underlining the likely ongoing demand from central banks and sovereign wealth funds in Asia.

Zhaojin Mining is a pure gold miner and will see a 16% per annum increase in production in the coming 4 years. It has one of the lowest costs of extraction in China and is very sensitive to gold price moves. For every 1% increase in the gold price, earnings will increase by 2.3%. The shares had almost halved since the February high, representing a very strong buying opportunity.

Looking at Asia as a whole, the current Price/Book is about 1.5x. This is significantly close to the 1.4x level we have seen as a key support in previous recessions. Only in serious crisis does the P/B decline more, such as in 2008 and the Asian Crisis in 1998. We think the summer will see some moves by China, as well as the West, to counter the slowdown in growth we have seen in recent weeks. If this is the case then today's levels represent a good opportunity to buy Asia.

All data as at 31.05.12. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Smaller Companies Fund



Top 5 Holdings (%)

Hemaraj Land Development	4.1
Gamevil	3.9
Merida Industry	3.3
LPN Development	3.2
Military Commercial Joint Stock Bank	3.0
Total Number of Holdings	56

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	14.1
Predicted Return on Equity (%)	20.9
Predicted Earnings Growth (%)	22.1

Thematic Breakdown (%)

ASEAN Linkage/Domestic Growth	25.9	
Domestic Consumption Services	15.0	
Vietnam	14.5	
Mobile Gaming	7.0	
Gold	6.0	
Cash	5.8	
Singapore Office	4.8	
Healthcare	4.2	
Financial Services	3.5	
Tablet/Smartphones	3.5	
Environment	2.9	
Water	2.7	
Domestic Infrastructure	2.4	
Cloud Computing	2.0	

Geographical Breakdown (%)

Thailand	15.1	
Philippines	14.5	
Vietnam	14.5	
Singapore	10.0	
Korea	9.2	
Australia	7.8	
Malaysia	7.8	
Hong Kong/China	7.7	
Cash	5.8	
Taiwan	5.4	
Indonesia	2.2	

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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	129.77
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	129.90
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	67.49
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	177.88

Performance fee based on individual investors' holding

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