

Prusik Asian Smaller Companies Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 July 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)	83.1m
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	2.27	2.24	2.17
3 Month	-0.39	-0.35	-0.55
Year to Date	16.36	16.05	15.79
Since Launch†	36.84	42.67	-0.13
2011	-19.28	-19.86	-20.04
2010	16.43	16.90	7.90
2009	59.70	56.10	-
2008	-21.60	-18.40	-

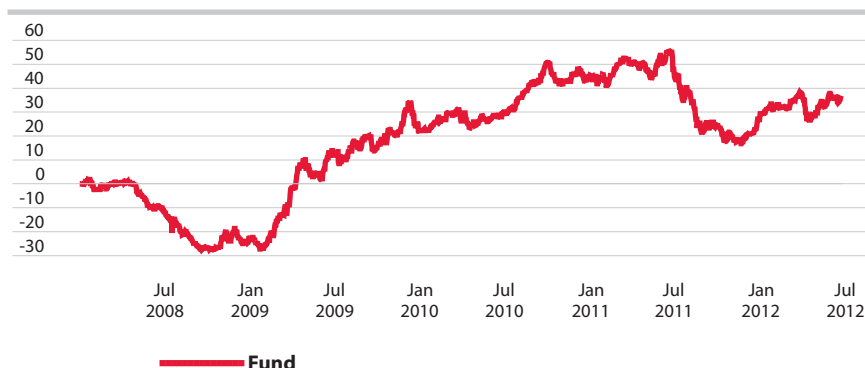
Source: Bloomberg.

†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 was up 2.3% over the month. Smaller companies in general took a breather in July and the MSCI Asia ex-Japan Smaller Companies Index rose just 0.8%. Positive contributors included Taiwanese bicycle maker **Merida**, **Airports of Thailand** and **Thai Tap Water**. Negative performers included **Digital China** (software), **TCL** (handsets) and **Gamevil** (mobile gaming). It is also worth noting that Vietnam corrected 1.6% over the month.

During our recent trip to Asia we visited our entire Korean smaller companies portfolio and over two thirds of our holdings in the Philippines. The relative performance and hence valuation gap between ASEAN and North Asia as well as between cyclical and defensives has grown to historically stretched proportions. We did find some attractively valued cyclical companies but intend to keep our bedrock exposure to ASEAN, as we think this is a multi-year story.

Meanwhile in the Philippines, food company, **RFM**, is enjoying huge growth in its ice cream business and construction company **EEI Corp** is seeing its order book balloon by 100%. Our favourite ASEAN story remains **Seven Philippines**, the 7-11 franchise which has embarked on a program of stock display management which is expected to improve same store sales by over 15%.

We remain fully invested and optimistic. However, portfolio insurance has got remarkably cheap. To this end we have added a small position in Hang Seng put options.

All data as at 31.07.12. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Smaller Companies Fund



Top 5 Holdings (%)

Hemaraj Land Development	4.1
Merida Industry Co	3.6
Airports of Thailand	3.5
Sino Thai Engineering & Construction	3.3
LPN Development	3.2
Total Number of Holdings	58

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	14.1x
Predicted Return on Equity (%)	20.7
Predicted Earnings Growth (%)	17.6

Index Hedging

Hang Seng Index Put Options*	-7.2
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*Delta adjusted exposure

Thematic Breakdown (%)

ASEAN Linkage/Domestic Growth	30.2	
Domestic Consumption Services	17.2	
Vietnam	11.5	
Gold	5.7	
Environment	5.2	
Other	5.0	
Singapore Office	4.7	
Financial Services	4.7	
Tablet/Smartphones	4.4	
Mobile Gaming	4.2	
IT Services	3.9	
Water	2.8	
Cash	0.4	

Geographical Breakdown (%)

Philippines	18.8	
Thailand	18.5	
Vietnam	11.5	
Singapore	9.8	
Korea	9.3	
Hong Kong/China	8.1	
Malaysia	8.1	
Taiwan	5.6	
Australia	5.4	
Indonesia	4.5	
Cash	0.4	

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Management Fees

Annual Management Fee
1.5% p.a. Paid monthly in arrears
Performance Fee
10% 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	136.84
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	136.98
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	71.08
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	187.21

Performance fee based on individual investors' holding

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