

Prusik Asian Smaller Companies Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 August 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)	81.9m
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	-0.65	-0.69	-0.64
3 Month	4.76	4.59	4.57
Year to Date	15.60	15.25	15.05
Since Launch†	35.95	41.69	-0.77
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

August was a quiet month for the regional index, as indeed most major markets. Statisticians claim we have just experienced one of the tightest trading ranges we have seen in 40 years. That being said, dispersion of returns was very high. For example, our Korean mobile gaming company, **Gamevil**, rose nearly 30% whilst Malaysian hard disk drive maker, **JCY International**, fell by nearly 30%. The overall negative contributors to the fund and reasons the fund fell slightly behind the index over the month were Malaysia and Vietnam. By contrast, Korea and Thailand were positive contributors. At the time of writing the fund has had a strong start to September, redressing August's move in both relative and absolute terms.

In August the news from Vietnam deteriorated with the surprise arrest of a senior figure in the banking sector, pending an investigation. This quickly erupted into a stock market rout despite the fact that little information was known and the stock market fell 4.5%. In the ensuing weeks it has become clearer that this event may herald the start of a bid to clean up some corruption. It may also lead to some likely positive changes in the government. Furthermore, the need to restructure Vietnam's banking sector is once again at the fore, and there is now more open discussion as to how the SOEs are obstacles to private sector investment and financial restructuring. In short we think this has been a painful but probably necessary step towards the changes we were wanting to see. Stocks are now very cheap once more and with the huge improvement in the macroeconomic management of Vietnam, including lower inflation, a stable currency and a negligible trade deficit, we are not shaken and think a buying opportunity is soon upon us.

All data as at 31.08.12. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Smaller Companies Fund



Top 5 Holdings (%)

Hemaraj Land Development	4.3
Sino Thai Engineering & Construction	4.1
Airports of Thailand	3.6
LPN Development	3.2
Kolao Holdings	3.2
Total Number of Holdings	55

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	14.9x
Predicted Return on Equity (%)	19.9
Predicted Earnings Growth (%)	16.4

Index Hedging

Hang Seng Index Put Options	-0.8
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* Delta adjusted exposure

Thematic Breakdown (%)

ASEAN Linkage/Domestic Growth	30.0	
Domestic Consumption Services	16.7	
Vietnam	10.9	
Gold	6.6	
Cash	5.7	
Other	5.5	
Singapore Office	5.2	
Mobile Gaming	4.7	
Financial Services	4.3	
Environment	3.2	
Water	3.0	
Special situations	2.3	
Domestic Infrastructure	2.0	

Geographical Breakdown (%)

Thailand	19.8	
Philippines	18.5	
Vietnam	10.9	
Singapore	10.5	
Korea	10.0	
Hong Kong/China	8.8	
Cash	5.7	
Australia	4.3	
Indonesia	4.3	
Malaysia	4.2	
Taiwan	3.0	

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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	135.95
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	136.08
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	70.59
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	186.01

Performance fee based on individual investors' holding

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