

# Prusik Asian Smaller Companies Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

30 June 2011

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)	87.4m
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	-1.22	-0.99	-1.25
3 Month	1.88	2.37	1.73
Year to Date	2.48	1.83	2.20
Since Launch <sup>†</sup>	49.31	56.22	10.24
2010	16.43	16.90	7.90
2009	59.70	56.10	-
2008	-21.60	-18.40	-

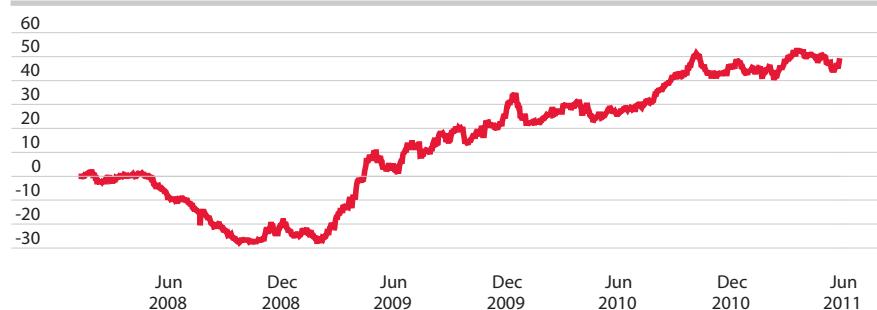
Source: Bloomberg.

<sup>†</sup>Launch Date: A: 08.02.08, C: 25.03.08, D: 15.01.10

## Investment Process

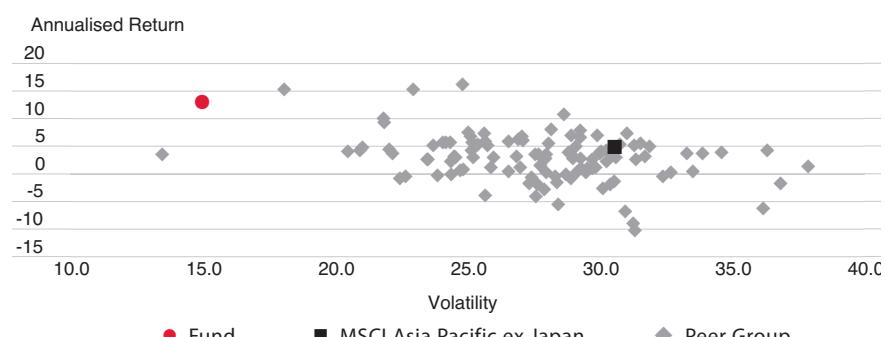
With anomalies as a start point, the investment process seeks to identify and invest in key 'themes' in the Pacific region. Our themes are driven by factors outside of the normal economic cycle and are not yet discounted by the market. Companies are identified and chosen via rigorous bottom-up analysis 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.

## Risk Adjusted Performance - Class A USD (%)



Source: Bloomberg. Annualised return and 1 year volatility versus the peer group (open ended offshore Asia Pacific ex Japan Equity Index Fund), 8.02.08 to 30.06.11.

## Fund Manager Commentary

The fund fell 1.2% in June. The stock markets suffered a volatile month driven by fears over Greece, and fell by as much as 6.5% to the mid-month low before recovering most of the losses. The best contributors to performance were the Taiwan domestic property companies, Huaku, Hung Poo and luxury developer, Shining Building. Internet company, Daum Communications and gold miner, Zijin Mining, were also positive contributors. Negative contributors included tech exposed companies such as ELK (touch screens) and TXC.

By mid-month, many of the charts, valuations, statistics and bearish sentiment started to suggest an extremely oversold situation. Some of the cash was therefore deployed into topping up existing holdings and adding some new ones. New additions included Alliance Financial (consumer finance), Biostime (internet retailer) and Jasa Marga (toll roads).

Asia has recently triggered most of the usual quantitative signals we see before a good rally. Credit Suisse has one of the most reliable models for predicting such turns and their data shows Asia ex-Japan looking 17% undervalued, similar to the levels of undervaluation we saw at the lows in 2004 and 2010. At the time of writing European events threaten to overwhelm Asia but the current selling capitulation may be a good buying opportunity.

We believe that our existing themes and companies will do well and China and Korea offer the best overall value. We continue to favour the ASEAN domestic consumption theme, the automation of factories in China, healthcare, Taiwan domestic and internet themes.

All data as at 30.06.11. Source: Prusik Investment Management LLP, unless otherwise stated.

# Prusik Asian Smaller Companies Fund



## Top 5 Holdings (%)

Emperor Watch & Jewellery	3.1
Ezion Holdings	2.8
Huaku Development	2.8
TTK Prestige	2.7
Daum Communications	2.6
Total Number of Holdings	39

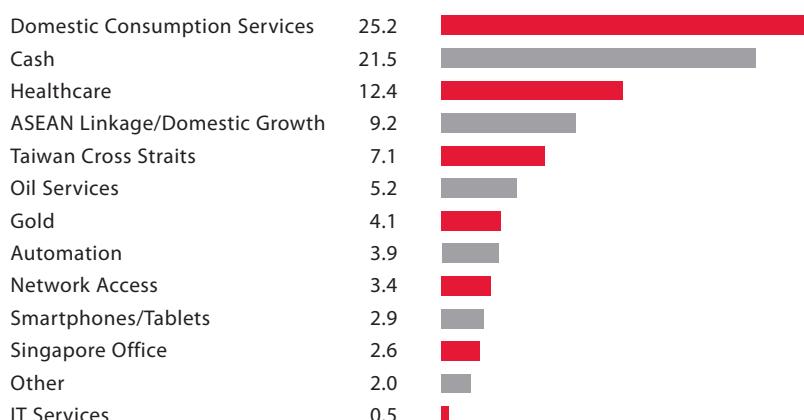
## Futures (%)

SET50 Future (Sep 2011)	-7.4
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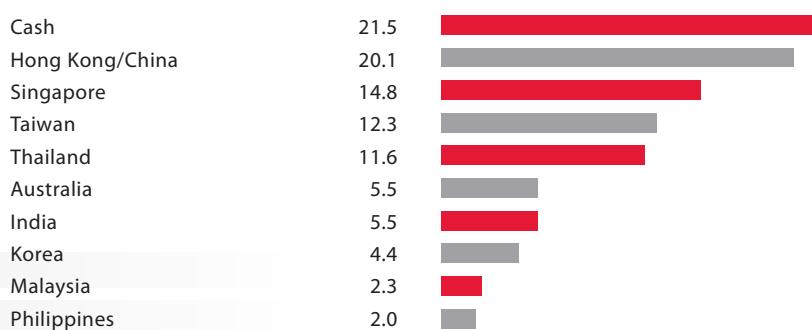
## Portfolio Financial Ratios

Predicted Price/Earnings Ratio	10.3x
Predicted Return on Equity (%)	21.0
Predicted Earnings Growth (%)	23.0

## Thematic Breakdown (%)



## Geographical Breakdown (%)



All data as at 30.06.11. Source: Prusik Investment Management LLP, unless otherwise stated.

## 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	Citi Hedge Fund Services (Dublin)
Dealing Frequency	Weekly, Friday
Min. Initial Subscription	USD 100,000
Min. Subsequent 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	149.31
B USD	Unhedged	Distributing	B2PKN32	IE00B2PKN327	149.31
C GBP	Hedged	Distributing	B2PKN43	IE00B2PKN434	77.83
D SGD	Hedged	Distributing	B3M3HJ5	IE00B3M3HJ55	206.66
Performance fee based on individual investors' holding					

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