PRUSIK

LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

Prusik Asian Smaller Companies Fund

Quarterly Investment Report
29 September 2017

FOR PROFESSIONAL INVESTORS ONLY

PASCF Quarterly September 2017

In 3Q17 the fund fell by 4.1%. The table below shows a breakdown of the absolute and relative returns for the fund by geography versus each country index for the quarter. While absolute and relative returns were very good in Indonesia, the absolute and relative returns in the remaining geographies were disappointing this quarter.

	PASCF Weighting (%)	PASCF Return (%)	Index Return (%)	PASCF Relative Performance (%)
Indonesia	13.4	9.8	-1.1	10.8
Cambodia	1.5	-1.6	2.3	-3.9
Vietnam	26.1	0.8	6.9	-6.2
India	27.2	-3.8	2.9	-6.7
Pakistan	8.9	-24.9	-16.3	-8.6
Philippines	4.0	-6.8	2.9	-9.6
Sri Lanka	6.0	-18.5	-6.1	-12.3

Source – Prusik/Bloomberg. PASCF return figures are gross of fees.

The second table sets out the fund's performance during the quarter by theme. As you can see, Communication Tech and Modern Retail were the key positive contributors in the quarter, whilst the remaining themes detracted, in particular Local Brands, which is amongst the fund's largest weightings.

Theme	PASCF Weighting (%)	PASCF Absolute Attribution 3Q17
Communication Tech	11.6%	1.17%
Modern Retail	14.9%	0.92%
Clean Energy	0.1%	-0.55%
Leisure & Tourism	4.8%	-0.56%
Infrastructure	16.0%	-0.81%
Financialisation	15.9%	-1.56%
Local Brands	26.8%	-2.47%

Source – Prusik/Bloomberg

The third quarter was something of a perfect storm for the fund. Whilst absolute and relative returns were poor across most markets for the fund, the primary detractors in the third quarter were Pakistan, India and Sri Lanka. Each of these countries witnessed unusual events in the quarter encompassing politics, economic reforms and extreme weather, the latter of which had a tangible impact on quarterly GDP growth at the macro level and quarterly earnings growth at the micro level.

As we have discussed in our monthly reports, in July, Nawaz Shariff, the Prime Minister of Pakistan, was ousted following his appearance in the Panama Papers. This was followed by some unsettling political horse trading during which Nawaz tried to get his brother elected as Prime Minister. Whilst numerous markets globally over the past 12 months have proven immune to political shocks, this has not been true of Pakistan. The political upset in the country caused MSCI Pakistan to fall 16.3% in US dollar terms in the quarter.

In India, the beginning of July marked the official implementation of the much needed, simpler and more unified tax system in India, GST. Ahead of this, businesses across the country de-stocked to avoid potential cash flow pressures which would otherwise have arisen from waiting for rebates connected to their inventory transitioning from one system of tax treatment to another. Some sectors were more affected than others and included the branded home appliance sector where the fund is invested. Both **Crompton Greaves Consumer** and **Bajaj Electricals** saw their earnings for the June quarter, announced in July, fall by low double digits. In addition, some management teams had misinterpreted the impact of GST. Another of the fund's holdings, cinema operator **PVR**, had guided to a much lower sales tax rate under the new system and higher operating margins as a result. Both management and the market were surprised when the sales tax for the entertainment sector was much higher than expected and in turn any positive margin impact was null and void. **PVR's** shares, having run up on the higher margin guidance, unsurprisingly corrected. Finally, the net impact at a macro level of the nationwide de-stocking was that India registered its slowest quarterly GDP growth rate in years. In September the authorities announced that Indian GDP in the June quarter grew by just 5.7%. All in all, India lagged the broader Asia index in the quarter and our holdings saw returns below that still.

In Sri Lanka, the country faced some of its worst droughts on record in the first half of the year leading to a sharp spike in inflation and a much weaker than expected GDP growth figure for the June quarter as well. News of this led the market lower. In particular, our holding in **Hemas**, the leading personal care brand in the country, proved especially sensitive to the broader market correction after having re-rated to over 20x P/E and having returned 52.4% in US dollar terms in the first half of 2017.

Whilst the short term performance for the fund over the last quarter is without doubt very disappointing, we also believe that the fund could be at a very interesting juncture.

Importantly, the negative news flow announced in the quarter relating to Pakistan, India and Sri Lanka does not impact the long term attractions of these countries' demographics. Equally, it does not undermine country specific attractions including higher FDI flows and economic reform. Further still, instances abound of positive fundamentals on the ground in these countries.

To be more specific, the political wrangling in Pakistan may continue for some time, however, we think it is more important that China's plans to invest US$64 billion in Pakistan are underway. In addition, auto sales in the country in August were up 25% year on year which should be good news for our holding in **Indus Motor**. Equally, **Habib Bank** just reported domestic loan growth up 28% year on year for 3Q17, and our consumer electronics company, **Pak Elektron,** continues to see double digit volume growth in air conditioning units.

In India, the introduction of GST may have hampered growth in the most recent quarter and might again in the current quarter but this is a policy to improve the medium term economic growth rate of India, not to prop up the short term. Moreover, the Indian government has just announced a US$32.5 billion recapitalisation of the public sector banks, yet another policy aimed at spurring economic growth in the medium to long term.

In the case of Sri Lanka, reforms are starting to be implemented and long term interest rates are now falling.

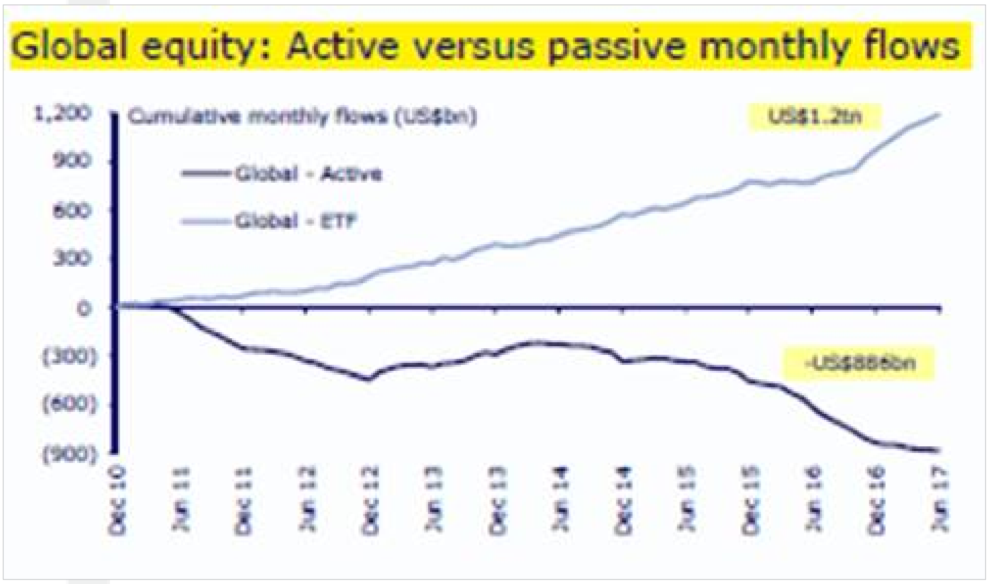
Finally, we are particularly excited about recent new additions to the fund: **Dialog Axiata** in Sri Lanka and **Shankara Building Products** and **Future Retail** in India. We will discuss each of these stocks in more detail later. All of the fund's holdings now sit within the Asian demographic growth markets.

Asian Equities Review

Asian ex-Japan equities have, in US dollar terms, been the best performing region, globally, year to date. This has not been without a couple of anomalies.

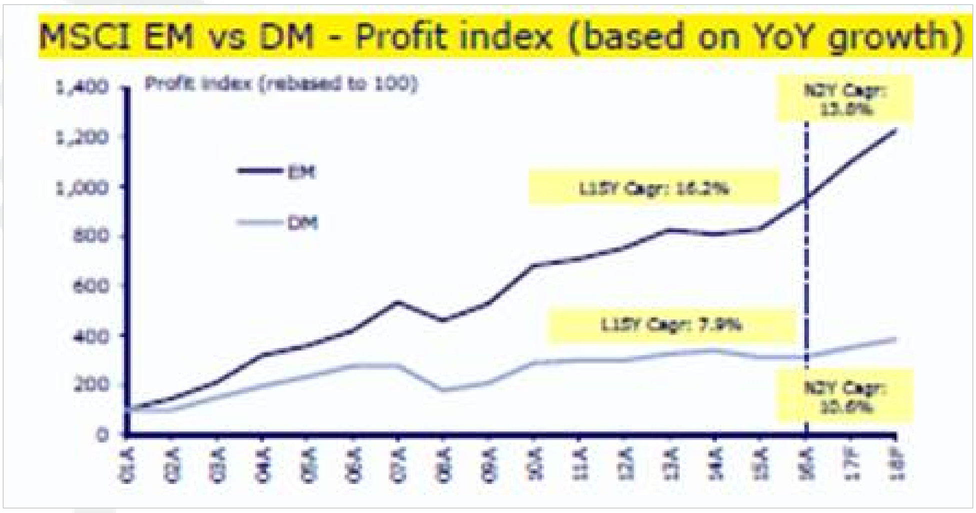
Firstly, around one third of this performance has come from just 5 stocks: Tencent, Alibaba, AIA, Samsung Electronics and TSMC. ETF buying behaviour has exacerbated this trend given that they now account for 20% of the market and continually buy the large cap index names with momentum.

Source - CLSA



Source - CLSA

Neither of these factors has helped the relative performance of the Prusik Asian Smaller Companies Fund this year. Moreover, Emerging Markets are now notably lagging developed markets despite the superior earnings growth shown below.

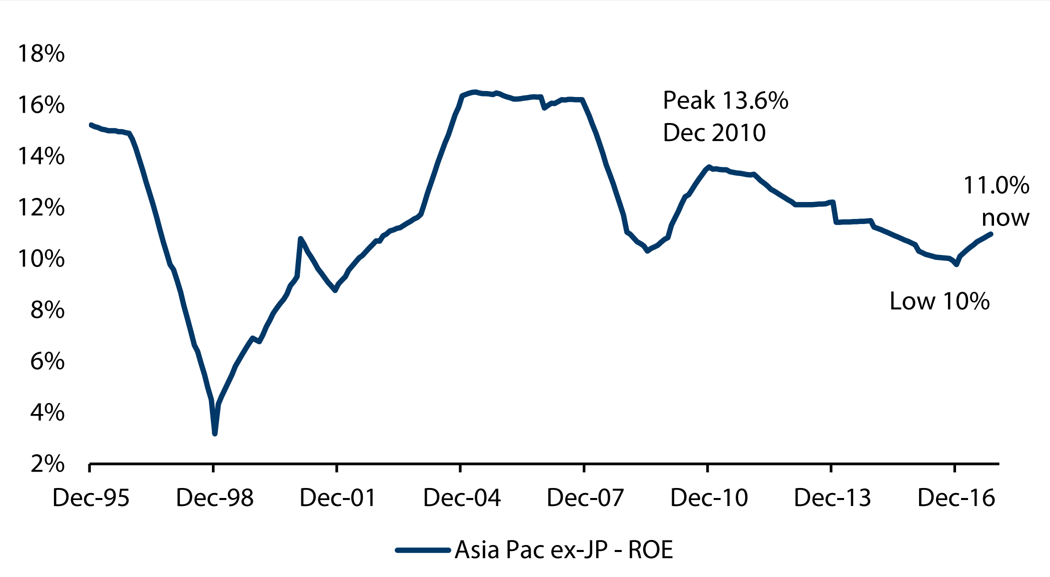


Source - CLSA

This could be pointing to a very strong buying opportunity for Emerging Markets.

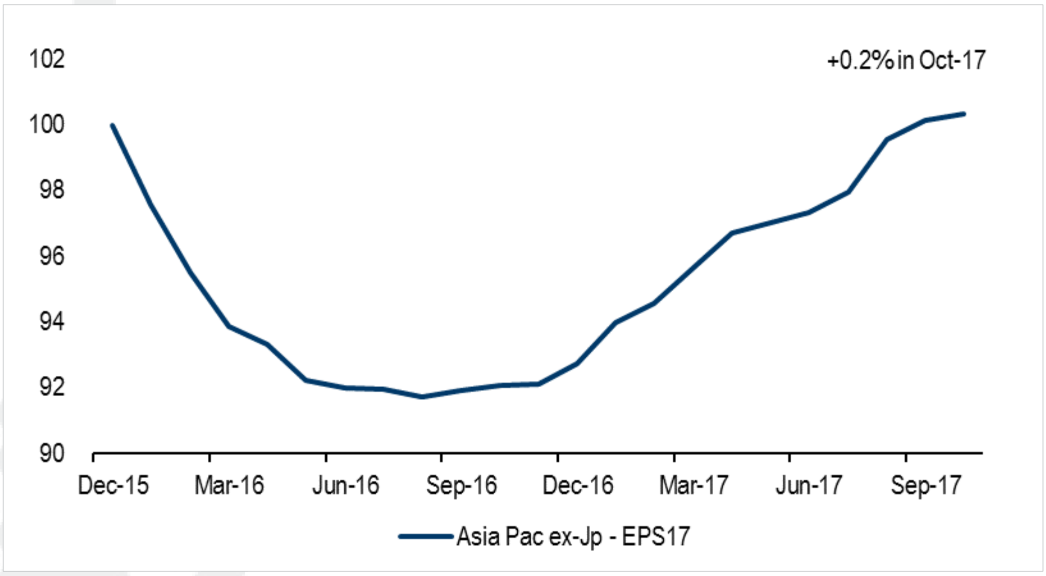
Meanwhile, there is still significant value at headline level in Asia. Although the index is up around 30% year to date, earnings are also up sharply, lagging the index by only around 5%. Thus, the value remains, even though the first major index move in 5 years has now been seen.

Other factors are also still very supportive. First of all, as can be seen in the chart below from Credit Suisse, Asia's ROE is beginning to recover after a long period of decline post the peak of 2004. This should be very supportive of equities.



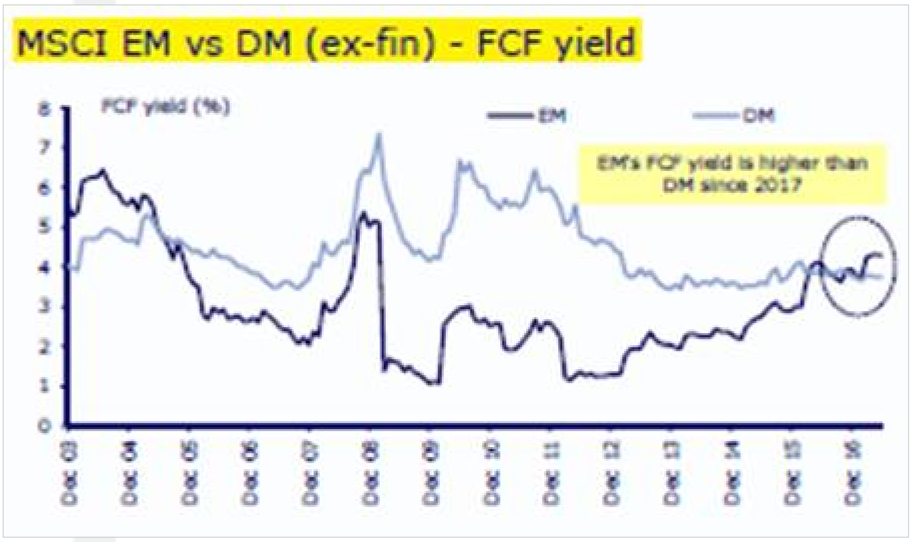
Source: Credit Suisse

Secondly, we are seeing strong earnings revisions for the first time in over 5 years.

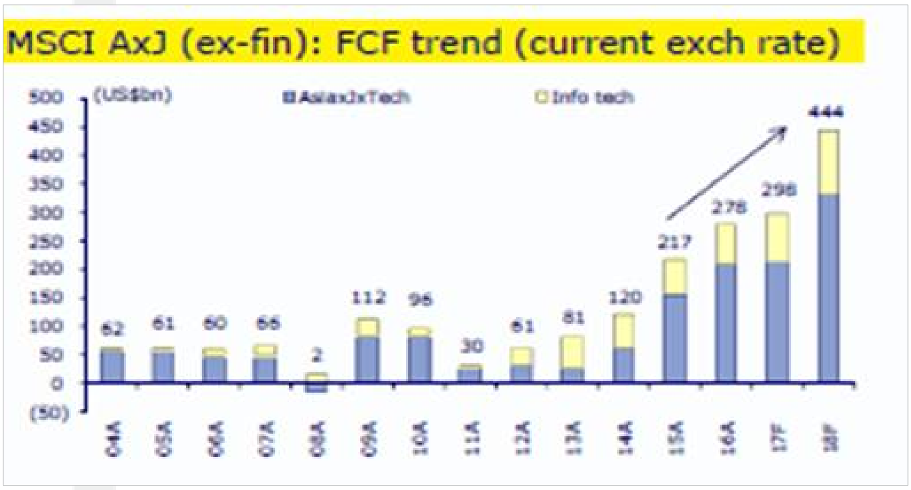


Source: Credit Suisse

Thirdly, there is also clear evidence of significant turnaround in free cash flow generation across the region. This is also a very encouraging and supportive factor for equities going forward. In addition, it is another area where Emerging Markets now look relatively very attractive.



Source - CLSA



Source - CLSA

Outlook

In summing up the outlook for equities, we would caution that after a very strong run like we have seen in the main indices this year, there is bound to be a correction before long. Some danger signs are emerging around US equities, for example, brokerage account openings are at an all-time high, whilst outstanding margin positions are also at an all-time peak. One jaw dropping statistic is that in the past 18 months global equity markets have added $25 trillion in value, equivalent to the size of all global stock markets combined in 2009!

So, with the risks well understood (US and developed markets equities and ETFs being the prime danger areas), where does that leave Asia? Over and above the fundamental points above, we would point to three other areas which give us cause for optimism.

Firstly, international investors are still woefully underweight Asia, especially China. We believe this will see a 180 degree change before the cycle for Asia is over. This is still potentially a significant amount of buying to be done.

Secondly, domestic investors in Asia are on the rise. In the same way that many middle class trends of the developed markets are taking off in Asia, for example, leisure pursuits and travel, so is the savings industry. In the demographic markets alone, there are over 2 billion people or future savers. This trend is still in its infancy but will ultimately swamp whatever foreign investors think they are doing.

If you marry the first and second points then the risk is that foreigners get caught behind a wave of domestic savers buying equities. This could even end in a performance mis-match that is almost impossible to redress.

China - A Positive Influence?

Thirdly, China influences everything and the current signs are – despite what you have read in The New York Times or The Financial Times - very positive. Foreign headlines are consistently negative about China but this is most likely wishful thinking. China is, in fact, becoming very powerful, especially as a geopolitical force in Asia and is a source of huge investment overseas which will power growth across many countries in the region (this is the OBOR policy already at work). The benefit to global stability of this rising power is a discussion for 5-10 years from now. The economic effects, however, are positive – very positive – and will be felt much sooner.

Moreover, at the time of writing we are witnessing the latest Party Congress in China which gives a strong indication of what's to come. President Xi gave a three-hour long speech to over 2,300 delegates at the event. While largely sticking to the format and style of his recent predecessors, Xi's presentation broke significant new ground by unfolding a roadmap aimed at guiding China's development until 2050 (!) rather than simply a strategy plan for the next 5 years.

"The principal contradiction facing Chinese society is **unbalanced** and **inadequate** development and the people's ever-growing need for a better life", Xi said. Understood within the context of the Chinese Marxist political lexicon, these words mark a significant shift when compared to Xi's predecessors over the past several decades. In CPC language, the "principal contradiction facing Chinese society" is the most fundamental verdict made by the ruling Party on "where we are", which would then lead to "what must be done". It was Deng Xiaoping, at the Sixth Plenary Session of the 11th National Party Congress in June 1981 who said that China was facing the "principal contradiction between the growing material and cultural needs of the people AND the low level of production". The following 36 years have seen the Party and Xi's two predecessors (Jiang Zemin and Hu Jintao) strictly stick to this verdict in all key Party documents. Under this verdict, consistently expanding capacity and output of everything from food and materials to equipment and consumer goods via pumping up investment and debt was fully justified. Besides the political implication that today's change offers Xi the same historical status as Deng who also started a "new era" for the country, the change of the "principal contradiction" indicates a formal acknowledgement by the Party that "quality" and not "quantity" is what the Chinese economy is mainly lacking now.

The implications of this are that "***economic rebalancing***" will continue, meaning that there will be ongoing efforts at cutting excess capacity and lowering debt levels alongside a higher tolerance for slower GDP and fixed asset investment growth under the "New Normal". These are the approaches which have the strongest ideological support from the top Party document. It is also reasonable to assume that the theory of the new "***principal contradiction***" will stay on the front page of all Party documents for the next 20 years. Therefore, supply side reform, financial deleveraging, consumption premiumisation and industrial upgrading will be retained as the major tools with which to address the "principal contradiction".

To be clear and to repeat: the key here is ongoing supply side reform, which means stronger commodity prices, better corporate margins and profits and thus more manageable debt servicing and thus less risk to the banking sector. In such an environment, middle and lower-end consumption will also boom.

Chinese banks and global commodities are thus possibly the next two giant asset classes to own, whilst in the context of the West's increasingly unpredictable and polarised political landscape where whole countries seem riven with inequality, discontent and distrust, we venture to suggest that China could even find itself benefitting from a stability premium!

Sri Lanka

We recently spent time at a conference visiting a number of Sri Lanka corporates, senior government figures and analysts and found there are growing reasons to be more positive about Sri Lanka in the coming year.

Trade and Ports

Firstly, the country is signing some significant trade agreements. Europe is now 31% of Sri Lanka's exports so the recent agreement signed here is very positive. Currently, under discussion, is a second agreement with China and India. China, it seems, has many aspirations under its One Belt One Road policy regarding exporting goods to next door India and would thus like to use Sri Lanka as a manufacturing base as well as a trans-shipment centre. A trade agreement with both countries would, therefore, be a very positive near-term catalyst for Sri Lanka on both counts. Sri Lanka is already quite a major hub for trans-shipment in the region with approximately 30% of India's container cargo already being transhipped via Colombo.

In further pursuit of its goals, China has also stated intent to buy an 80% stake in Hambantota Port, an industrial port in the south of Sri Lanka, which it plans to use as a trans-shipment centre for India as well as facilitating China's trade beyond India. This transaction is expected to be finalised in November. Should the transaction go through China then intends to set up a special industrial zone next to this port where it plans to house a refinery, an LPG terminal, cement plants and an LNG power plant.

In addition to China's ambitions for Hambantota Port, China has already bought and is currently operating a large wharf at the main Colombo container port in Sri Lanka. Following China's involvement at the port, trade has boomed, virtually the whole capacity of the port is now full and there are now discussions in process regarding building additional capacity at this port.

Sri Lanka's geographical position is a huge competitive advantage in this regard and given current developments it's worth comparing Sri Lanka's trade performance over the past decade with that of Vietnam. Between 2005 and 2015 Sri Lanka's trade grew just 4-fold and remained rooted around agricultural and primary manufacturing products. In contrast, Vietnam saw a 46-fold increase in exports and now has a significant cluster in machines and technology products.

Real Estate

A major Chinese developer, China Communications Construction Company, has been awarded a contract to reclaim 269 hectares from the sea next to the Colombo port and current central business district. The eventual land area would be 432 acres and the project value is projected to be around $1.5 billion. In return for funding the project the developer will get about 65% of this marketable land. Among other things, the new area will be 1.5 times bigger than the current central business district and will include a marina, a theme park and new beaches. It will also generate 21,000 apartments and grade A Office space which, it is hoped, could attract global investment of over $5 billion to the country.

The development of the reclaimed land and surrounding areas is due to occur over a project period of 25 years with work due to begin by 2019. An estimated 17 acres of land will be released each year.

Interest Rates and Valuations

Longer term interest rates in Sri Lanka have recently fallen from a high of nearly 13% in early 2017 to around 10.5% at the time of writing. This is likely to begin to push local investors back into the stock market. We have also started to see some high profile foreign investors return after a long absence.

In simple P/E terms Sri Lanka is now trading just over one standard deviation below its historic P/E at 11.7x versus its 10 year average P/E of 15.5x. Needless to say this also represents a significant discount to spot P/E multiples for the MSCI World Index which is on 17.7x P/E, the MSCI Emerging Markets Index which is on 13.6x P/E, and the MSCI Frontier Emerging Markets Index which is on 14.9x P/E.

Sri Lanka's Middle Class

Sri Lanka is home to a population of just 21 million people but GDP per capita is just below $4,000 and rising. This is a very significant level, as when countries approach $5,000 there is typically a boom in middle class behaviour including home and car ownership, a rise in discretionary spending such as on leisure pursuits and, crucially, a rapid switch over towards modern retail and branded goods from traditional retail. According to major Sri Lankan conglomerate, John Keels, penetration of modern retail in the country is just 10%, although anecdotally modern retail penetration is even lower than this in some verticals. Sunshine Holdings, for example, which owns a growing chain of branded pharmacies, estimates that out of the country's 2,500 pharmacy stores less than 75 of those are branded with each chain being held by individuals and each owning just a handful of stores.

Risks

Politics and Inflation

The former president, Mahinda Rajapaksa, cannot seem to retire quietly from politics. Currently, he is trying to set up his own political party as he cannot run again for president under the incumbent government. Should he be successful, this could pose a significant challenge Sri Lanka's two party system. Given Rajapksa's charisma and strong pulling power with the people his chances of success are decent.

Inflation

Sri Lanka has suffered three failed monsoons in a row and therefore soft commodity prices and therefore inflation have risen somewhat. Whilst it is difficult to predict weather it seems that rain has returned to the country and so hopefully better harvests are now due.

Dialog Axiata

We have initiated a position in **Dialog Axiata**, the leading telecom in Sri Lanka, and the cheapest amongst its regional emerging market peers with the stock trading on just 10.7x 2018 P/E and 4.5x EV/Ebitda. The company has a market capitalisation of $715 million, yields 3.0% and is expected to see healthy dividend growth in the coming years.

As touched on above, **Dialog** is Sri Lanka's number one mobile company with an impressive 43% market share. It also has a dominant 70% share of the pay TV market, 51% share of the international fixed line market and 28% share of the home broadband market. Overall in the fixed line market **Dialog** ranks as the number two player.

The organic story for **Dialog** is an exciting one as penetration levels in Sri Lanka remain low in home broadband (21%) and Pay TV (25%). The company conservatively expects to deliver revenue growth of 7-10% plus additional rises in profitability as costs are managed and the peak investment cycle is passed.

Digital Services Platform and Mainstream Digital Financial Services

What is most exciting about **Dialog**, however, is its investment and innovation in seeding its 'digital services portfolio'. Prime amongst these offerings is a very impressive digital wallet (modelled on M-pesa in Africa) called eZ Cash and the country's biggest e-commerce site and online shopping mall, www.wow.lk. Notably, Alibaba is currently talking to **Dialog's** management with a view to making its digital wallet services available to Chinese visitors (no doubt workers as well as tourists) to Sri Lanka and potentially even sharing Alibaba's shopping sites.

Dialog also owns Sri Lanka's number one music streaming service as well as a digital video content platform for which it also generates content. In addition, management are looking at opportunities in the smart home, medical monitoring, e-gaming and online booking segments.

The most recent move by **Dialog** in the digital services space could prove to be particularly transformative for the company. In September **Dialog** acquired a finance company which owns sufficient licences to enable **Dialog** to expand into online financial services. The CEO's vision for **Dialog's** online financial services offering is that it will include state of the art data mining and artificial intelligence driven analysis of its mobile customers to assess risk factors, for example, in the micro finance space. Management's aim is for this business to be operational by 2Q18. In terms of the next steps, **Dialog's** management are aiming to form a full joint venture with a bank which will allow it to collect deposits.

Overall, management expect these digital services to become important growth areas in the coming 2 to 3 years and have plans to potentially spin out the digital services platform at some point before 2020.

Given this additional opportunity to own Sri Lanka's number one e-commerce site and digital wallet, as well as a fully-fledged challenger digital bank, the company looks very undervalued at current levels.

New Buys in India

Elsewhere we have also been adding to our India exposure via **Shankara Building Products** and **Future Retail**.

Shankara Building Products

Shankara Building Products is a rather fascinating new find for us within the small cap universe. As the name suggests, **Shankara** sells building materials and, increasingly, a broad portfolio of home interiors and decorative products, including tiles and sanitary ware. In the past **Shankara** has largely focused on sales to the wholesale channel and to third party distributors. However, in recent years management have turned their attention to the far more profitable and faster growing retail channel. Currently, **Shankara** has 117 stores of which 20 have been converted into fully fledged retail stores. At present, the retail business accounts for around 50-55% of sales but management expect this portion to increase dramatically in the coming years. In the current financial year alone, management plan to open 15-20 new retail stores and convert around 30 existing stores to the retail format.

We believe this is a very exciting part of the Indian market to be invested in for a number of reasons. Firstly, there is currently a huge push to increase the supply of affordable housing in India. Secondly, home ownership in general is being encouraged via policies such as the mortgage subsidy scheme. Thirdly, one of the bigger picture objectives of the Modi administration is to accelerate the shift from unorganised retail to organised retail. According to **Shankara**, it is the only organised player of significant scale in the entire building materials and interiors market and so the extent to which it can profit from this shift is vast. Finally, we believe this is one of the few areas of retail which is particularly hard to disrupt via e-commerce, thus making it increasingly attractive. Indeed, there are numerous examples, globally, we can point to of home improvement companies going from strength to strength despite the advances of Amazon and Alibaba. Home Depot in the US would be one, Home Pro in Thailand would be another. Another of our existing holdings in the fund, **Ace Hardware** in Indonesia, is another excellent case in point.

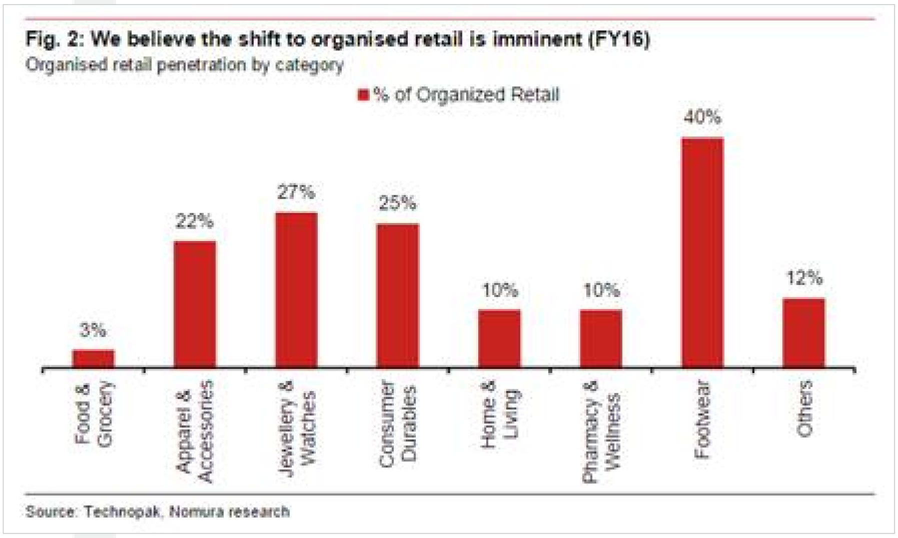
Shankara's EBITDA margins are just 6.7% but management expect margins to rise steadily as the higher margin retail business becomes a larger proportion of sales. Their target for the next 5 years is to increase margins to 9-10%. As the company scales and continues to focus on higher margin products, we believe that even higher margins than this are achievable. Indeed, **Ace Hardware**, which is several times bigger than **Shankara** now makes a mid-teens EBITDA margin. We estimate that on a conservative basis **Shankara** can grow its sales at a 20% cagr over the next 5 years and its profits even faster. At present the market capitalisation for the company is just over US$500 million.

Future Retail

Staying with our organised/modern retail theme in India, **Future Retail**, a leading hypermarket and convenience store operator in India has also been bought for the fund in the quarter. Food and groceries account for an estimated 65% of sales and this is expected to increase as management are particularly focused on growing the convenience store business. Currently, **Future Retail** operates 538 convenience stores but this is expected to increase to 3,000 by 2022.

Food and grocery retail is the largest component of the retail market in India by a wide margin. It is estimated that in 2016 the food and grocery market in India was worth $407 billion or two thirds of India's total $616 billion retail sales. Crucially, organised or modern retail represents just 3% of the food and grocery market in India. Up until recently local 'mom and pop' players have always had an advantage over modern retail stemming from cheaper prices made possible by not paying taxes as well as being able to offer credit, local delivery and more.

There are two key points to note here. Firstly, 3% organised retail penetration is significantly lower than that for ALL other retail segments in India. The chart below demonstrates this very clearly.



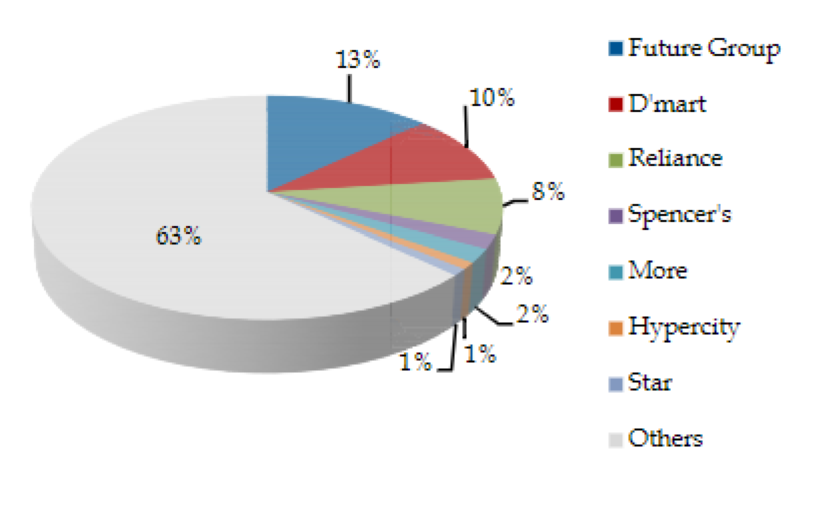
Secondly, some of the tax advantage that 'mom and pop' players have benefitted from in the past should start to be eroded post GST and demonetisation.

Even without the tailwind of GST and demonetisation, the food and grocery market in India saw its sales increase by a 33% cagr from 2012 to 2016. Rapid growth for the industry is expected to continue with third party independent research pointing to sales increasing at a 26% cagr over the next 5 years. For **Future Retail** specifically, same store sales growth for its hypermarkets ranged from 9.9% to 15.3% in FY17, whilst overall same store sales growth for the company ranged from 8.8% to 13.3% in FY17.

Source: Future Retail FY17 Annual Report

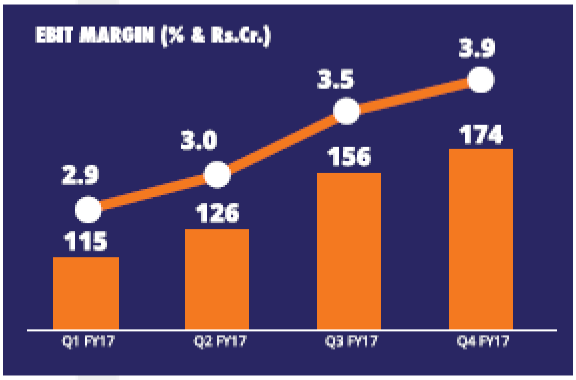
In terms of the competitive position, while the market is fragmented there are 3 dominant players, Future Group, Dmart and Reliance with Future Group leading the way. Future Group has recently built on its leading position via its acquisition of Hypercity, which historically had been part of Shoppers Stop.

Exhibit 6: Market share of key players in 2016



Source: Technopak Research & Analysis, YSL Research

Currently, this is a very undermanaged business. Inventory days are much higher than they should be, rent as a percentage of sales is much higher than it should be, margins are lower than they should be and more. Management fully recognise this and their key focus at present is to improve operating efficiencies and the conversion of footfall into higher sales per customer – indeed, management' statements in the company's FY17 annual report mention little else. Pleasingly, progress has already been made on these fronts. Inventory days have gone down from over 100 to 80 days in the last year, ROCE has improved to 16.9% and operating margins have been on a steady uptrend.



Source: Future Retail FY17 Annual Report

We purchased **Future Retail** for the fund when it was trading on 26.6x FY19 P/E, which represented a 56% discount to Dmart, India's much loved, blue chip convenience store operator, then on 60.4x FY19 P/E. During our analysis of **Future Retail** we spent some time digging into the operating history of one of today's retail giants, Walmart. Amongst other things, this revealed that over a 33 year period – as far back as we could get data – Walmart has managed to grow its sales at a 15% cagr and its earnings per share at a 9% cagr. It has also had an average P/E of 22x since listing. Finally, it was interesting to note that Walmart embarked on rapid store expansion around the time that the US economy crossed the US$2 trillion mark, which is roughly the size of the Indian economy today. Our research into Walmart alerted us to just how long the growth period for a company like **Future Retail** could be and that we should expect to pay at least a mid-20s P/E multiple for such an opportunity. At the time of writing, **Future Retail** has a market capitalisation of $3.9 billion.

PORTFOLIO PERFORMANCE

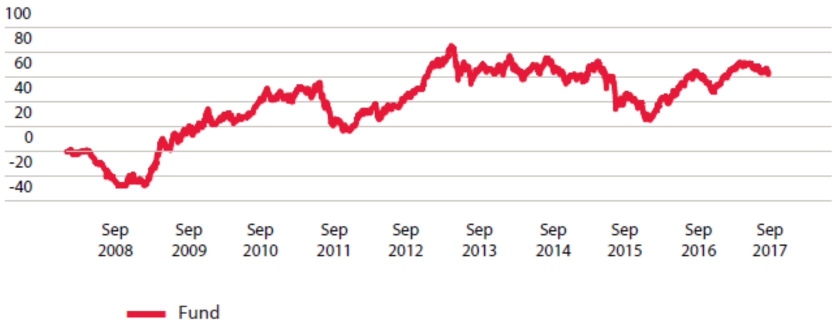
Performance Summary (%)
Period ending 29.09.2017

	A-USD	C-GBP	D-SGD
1 Month	-0.68	-0.78	-0.71
3 Months	-4.11	-4.39	-4.24
YTD	11.03	9.96	10.47
2016	7.14	7.32	7.06
2015	-12.78	-12.15	-12.21
2014	-3.49	-3.01	-3.43
2013	7.51	7.29	7.64
Since Launch+	65.60	73.82	21.65
Annualised 5 years	2.94	3.11	3.10
Annualised 3 years	-1.03	-0.97	-0.99
Annualised Since Inception	5.37	5.98	2.58

Source: Morningstar

+ Launch date: A: 08.02.08, C: 25.03.08, D: 15.01.10

Fund Performance – Class A (USD) (%)



Source: Morningstar. Total return net of fees.

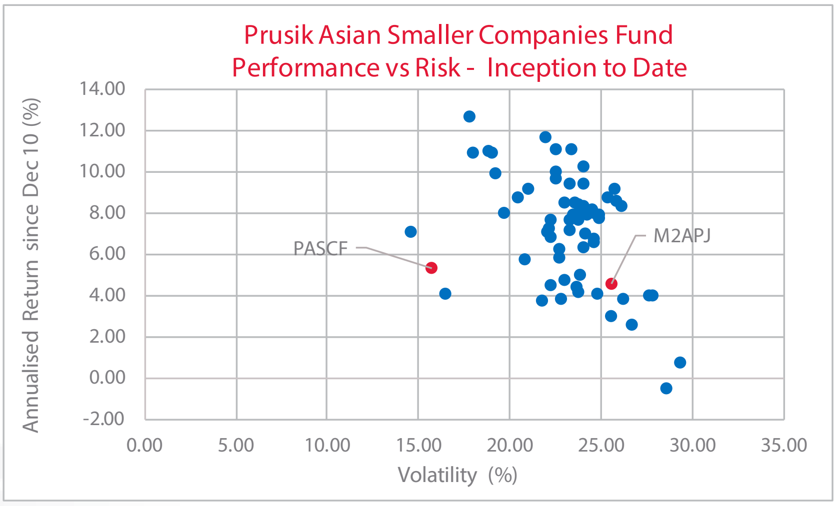
Monthly Performance Summary (%)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
2017	3.51	4.55	2.74	2.64	-0.86	2.35	-1.95	-1.54	-0.68				11.03
2016	-6.98	-0.67	8.76	2.98	0.65	4.49	2.57	3.55	0.17	-1.10	-3.51	-3.04	7.14
2015	1.25	-0.11	-2.04	7.23	1.21	-5.33	-1.78	-11.48	-2.63	4.83	-2.71	-0.78	-12.78
2014	0.21	3.58	-2.62	-2.50	0.56	2.45	-1.39	2.86	0.32	-1.85	-1.76	-3.11	-3.49
2013	7.27	3.73	1.32	1.82	3.58	-9.40	0.10	-4.52	3.54	2.84	-1.44	-0.51	7.51
2012	5.05	7.75	-1.04	4.29	-5.53	3.11	2.27	-0.65	5.40	1.27	4.12	1.81	30.80
2011	-2.15	0.43	2.35	3.75	-0.57	-1.22	3.60	-11.67	-8.27	0.37	-5.50	-1.07	-19.28

RISK ANALYSIS

Risk Metrics	Fund (%)
Beta	0.58
Alpha (%)	2.63
Sharpe Ratio	0.53
Volatility (%)	15.68
% of the portfolio –which could be sold in 2 business days	86.30

Source: Morningstar
Since Inception: A: 08.02.08



Source: Morningstar

THEMATIC & GEOGRAPHICAL BREAKDOWN

Top 5 Holdings (%)

Mobile World Investment Corporation	6.9
FPT Corporation	6.6
Philippine Seven Corporation	4.0
Bank Danamon Indonesia	3.5
Phoenix Mills Ltd	3.4
Total Number of Holdings	32

Thematic Breakdown (%)

Local Brands	29.8
Financialisation	15.3
Infrastructure	14.7
Modern Retail	12.5
Communication Technology	12.0
Cash	10.1
Leisure/Tourism	5.6

Portfolio Financial Ratios*

Predicted Price/Earnings Ratio	12.6x
Predicted Return on Equity (%)	22.5
Predicted Dividend Yield (%)	2.7

* Fiscal year periods

Geographical Breakdown (%)

India	27.4
Vietnam	26.6
Indonesia	14.0
Cash	10.1
Pakistan	6.8
Sri Lanka	5.3
Philippines	4.0
Taiwan	3.2
Cambodia	2.6

All data as at 29.09.17. Source Prusik Investment Management LLP, unless otherwise stated.

FUND PARTICULARS

Fund Facts

Fund Size (USD)	49.2m
Launch Date	8 February 2008
Fund Structure	UCITS III
Domicile	Dublin
Currencies	USD (base), GBP, SGD

Share Class Details

Class 1			SEDOL	ISIN	Month end NAV
A USD	Unhedged	Non Distributing	B2PKN21	IE00B2PKN210	165.60
B USD	Unhedged	Distributing	B2PKN32	IE00B2PKN327	161.82
C GBP	Hedged	Distributing	B2PKN43	IE00B2PKN434	84.46
D SGD	Hedged	Distributing	B3M3HJ5	IE00B3M3HJ55	222.63

Performance fee based on individual investor's holding

Class U			SEDOL	ISIN	Month end NAV
U GBP	Unhedged	Distributing	BBQ37T7	IE00BBQ37T77	108.13

Performance fee based on fund performance as a whole

Management Fees

Annual Management Fee
1.5% p.a paid monthly in arrears

Performance Fee
All classes except Class U: Provided the fund achieves an overall increase of 6% a yearly performance fee of 10% of the total returns will be applied.

Class U: Provided the fund achieves an overall increase of 1.5% per quarter, a performance fee of 10% of the total return will be applied.

Dealing

Dealing Line	+353 1 603 6490
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

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