PRUSIK

LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

Prusik Asian Smaller Companies Fund

Quarterly Investment Report

30 December 2016

FOR PROFESSIONAL INVESTORS ONLY

PASCF Quarterly Jan 2017

Over the final quarter of 2016 the Prusik Asian Smaller Companies Fund fell 7.5% versus the index fall of 4.9%, underperforming by 2.6%.

The key feature of the final quarter was that 'value' performed strongly, a trend which began in July when US bond yields bottomed. Although the Prusik Asian Smaller Companies Fund portfolio is on a P/E of just 11.6x, and thus might have been expected to benefit from the 'value' rally, we are in fact unsurprised by the fund's underperformance. Our reasons are as follows.

Firstly, whilst the fund is invested in a large number stocks trading on low P/E's, it is not invested in low quality, cyclical 'value' stocks, such as coal, resources and shipping. It is these low quality, cyclical 'value' stocks which have been at the centre of the recent rally.

Secondly, small caps typically lag when 'value' performs strongly. This is because when a 'value' rally starts there are often lots of large cap stocks on low P/E's available, meaning that investors can increase their exposure to 'value' without having to take on the incremental risk of investing in small caps.

However, importantly, history broadly suggests that while a 'value' rally may start with low quality, cyclical 'value' stocks, in time growth comes into the equation again and it is the 'growth at a reasonable price' ('GARP') stocks which subsequently do well. Given the Prusik Asian Smaller Companies Fund's bias towards stocks with good earnings growth which are on low P/E's, or 'GARP' stocks, we would expect the fund to outperform once the low quality cyclical 'value' rally peters out and 'GARP' comes into vogue.

Essentially, the message is that we feel this is a great time to be investing in the Prusik Asian Smaller Companies Fund as while it has not benefitted from the low quality cyclical 'value' rally, it should benefit as the 'value' rally turns to favour 'GARP' stocks.

4Q16 Review

Positives

Infrastructure was the only theme which made a positive contribution to performance in the fourth quarter, both in terms of absolute attribution and return on investment. We added to the infrastructure theme during the quarter. New additions include **DG Khan Cement** and **Fauji Cement**, two Pakistan cement companies which were bought in October and December, respectively, and **Huaku**, a Taiwanese property developer, which was bought at the end of November. Finally, internet infrastructure provider, **D-Link India**, was bought in late December. In short, this theme has been built up from October onwards.

At the time of writing the theme has a 9.6% weighting and, aside from **Huaku**, is concentrated in Pakistan, India and the Philippines, all of which have a strong demographic tailwind, which in turn is driving urbanisation and thus a severe need for investment in infrastructure.

Negatives

The local brands theme was the biggest negative contributor in absolute terms owing to its weighting in the fund of 22.6% and a return on investment which was a bit weaker than the market at -9.7% versus the index fall of -7.5%. Within the theme, **7-11 Malaysia** (now sold) was the biggest contributor to the underperformance, detracting 101bps from NAV in the quarter. **Philippine Seven** and **Max's Group** were also negative contributors, although **Max's** has been performing ahead of a strong Philippines market in 2017, rising 12.0% at the time of writing since the end of December.

The clean energy theme was also a detractor in the quarter, despite having just a 3.1% weighting. Electric vehicle suppliers in Taiwan **(Hota)** and Korea **(Woory)** were both weak, whilst **Bizlink** of Taiwan was flat.

Overview and Outlook

As the chart below shows, in the fourth quarter there was a steep drop off in the relative performance of growth vs value companies. This was partly triggered by a new expectation, post the Trump election victory, that growth would recover. Coupled with this, supply side reform in China has given commodities a big boost. As a result, both the cyclical sector, commodities and companies showing extreme value all received a filip and this came at the expense of quality growth companies, especially those on richer valuations.

Source: Bloomberg

At this stage it is probably harder than ever to predict what is going to happen next. At the time of writing the US has just sworn in a new President, the choice of which a good portion of the world is struggling to make sense of. Equally what this means for policy is almost impossible to guess. For example, the much heralded USA border tax might seem beneficial for US domestic capex and employment opportunities as large companies repatriate wealth. And just as markets begin to settle with this idea we then are told its too complicated, bringing forth instead, the spectre of a much more protectionist (and old fashioned) import tariff structure instead.

Full Year Review

Positives

The key positive contributor on a thematic basis to 2016 performance by a country mile was Vietnam, which saw a huge absolute contribution to NAV of 830bps and a return on investment of 51.5%.

Despite having a less convincing fourth quarter, the clean energy theme was also a good contributor in 2016 overall, led by **Tung Thih**. The theme made a positive contribution of 140bps and a return on capital of 4.1% in the year. The performance of this theme would have been stronger were it not for Indian wind power company, **Inox Wind**, which detracted 120bps from performance.

Our sensors, infrastructure and smart textiles themes all made similar absolute positive contributions to performance and saw returns on investment in the region of 15-25%. Stand out stocks were Pakistan cement producer, **DG Khan Cement**, Victoria's Secret supplier, **Best Pacific**, smart phone casing maker, **Tongda**, and Singapore listed sensor maker for consumer electronics and autos, **Innovalues**.

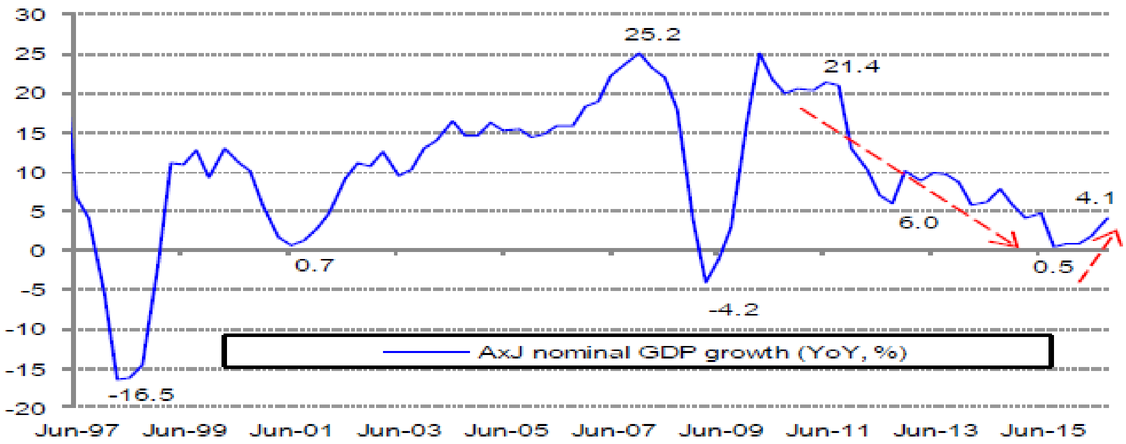
Negatives

The portion of the portfolio which saw negative returns on an absolute and return on investment basis was relatively small at just 11%. The biggest drag in absolute terms was the financialisation theme, owing to **iFast** and **CARE**. Both these companies have since been sold. Ecommerce, drones and mobile gaming were also unhelpful.

This is a new kind of leadership. It seems chaotic and how it plays out in Asia remains to be seen. Our approach is, therefore, currently one of modest caution on all fronts whilst being reasonably constructive about growth in 2017.

Growth and Value Combined

These charts below come from Credit Suisse and show clearly that there is currently a nice and visible pickup in nominal GDP in Asia. This is accompanied by steady CPI, a recovery in PPI and, for the first time in 5 years, a sprightly earnings recovery projected of double digit improvement after flat or negative earnings in the past few years.



Source: Credit Suisse

In short, we believe that our 'growth regardless of the economic cycle' approach will still do well in the current environment, given that there are bound to be fluctuations in sentiment as the year progresses.

Our focus, as has been a feature of the portfolio for many years, is on Asian domestic stories. This year, in addition to this, we are also focussing more than ever on valuation and value creation. We are also allowing some exposure into the portfolio of companies that will benefit from better growth and rising interest rates. We already have some exposure in this area via our financialisation theme to which we have added to recently, buying **Bank Danamon** in Indonesia. This could prove timely and positive in 2017 after what was admittedly a difficult 2016 for this theme.

To this end, we have also significantly reduced our exposure to any 'expensive growth' stocks (e.g. Malaysian condom maker, **Karex**, and Taiwan ecommerce company, **PCHome Online**) and have added only where significant value exists. Examples include Indian toll road builder and operator, **IRB Infrastructure**, Pakistan cement company, **Fauji Cement**, and Indonesian bank, **Bank Danamon**. Value, as was the case in the latter months of 2016, will continue to be a leitmotif of 2017 until or unless the expectation of a growth recovery is extinguished altogether. As a result, the current valuation of the portfolio stands at 11.6x for 23.1% ROE and a 3.1% dividend yield, which we think stands us in good stead for 2017.

Themes

Our key themes remain Vietnam, local brands, leisure and tourism, financials and infrastructure. All will benefit from better growth in 2017. We have also started to recognise a new theme in the past quarter: the demographic growth story in Asia.

The Demographic Dividend

The demographic dividend is a well-known phenomenon and is the boost that is given to an economy when the work force expands relative to the non-working population. This wealth is created by 4 mechanisms: increased labour supply generating value, increased savings as the number of dependents decreases, higher savings allow for more concentrated investment in human capital, such as education, and finally, as a consequence of all this, rising domestic demand.

The demographic dividend should not be underestimated and if one looks back at the best years for stock markets and GDP growth alike, one can see demographics can be a very powerful driver of this. For example, between 1950 and 2008 Korea saw its GDP per capita grow 2,200 %, whilst in Thailand GDP grew 970%.

In the near future India will be the largest contributor to global demographic expansion. An IMF paper shows that the most substantial portion of India's growth since the 1980s has been attributable to demographic change. Moreover, studies show that India is set to overtake China in population by 2025, with an increasingly large portion of the population in working age category. This alone could contribute 2% per annum to India's per capita GDP growth.

Below is a table which we think is possibly the most important way to look at Asia in the coming decade.

♦ **Demographic Growth Asia Versus Mature Growth Asia: A Statistical Comparison**

Demographic Growth	Country	Population Size (m)	Median Age (yrs)	FY15 GDP Growth (%)	Nominal GDP Per Capita US$	Internet Penetration (%)
	India	1299	27	7.6	1715	26
	Philippines	101	24	5.9	2870	40
	Indonesia	258	29	4.8	3307	22
	Pakistan	189	23	5.5	1436	18
	Sri Lanka	21	33	4.8	3977	30
	Vietnam	92	31	6.7	2079	53
	Bangladesh	161	26	6.6	1212	14
	Cambodia	16	24	7.0	1157	19
	Laos	7	22	7.0	1813	18
		Total (m)	Average (yrs)	Average (%)	Average (US$)	Average (%)
		2142	26	6.1	2564	31

Mature Growth	Country	Population Size (m)	Median Age (yrs)	FY15 GDP Growth	Nominal GDP Per Capita US$	Internet Penetration (%)
	Taiwan	24	40	0.6	22402	n/a
	Korea	51	41	2.6	27222	90
	China	1375	37	6.9	7839	50
	Malaysia	31	29	5.0	9584	71
	Singapore	6	41	2.0	52888	82
	Hong Kong	7	44	2.4	42186	85
	Thailand	68	39	2.8	5813	39
		Total (m)	Average (yrs)	Average (%)	Average (US$)	Average (%)
		1561	40	3.2	23991	70

Demographic Versus Mature	37% Bigger population	34% Lower median age	92% Higher GDP growth	89% Lower GDP per capita	55% Lower internet penetration

Source: CLSA, Worldometer, World Bank

The demographic dividend countries with the younger populations comprise over 2 billion people (and this excludes China!). The median age is just 26 years old. Moreover, GDP per capita of the younger countries is one tenth that of the mature ones i.e. $2,500 versus

$24,000! In 2015 the demographic dividend markets also grew nearly twice as fast, averaging at 6.1% versus their mature neighbours.

In short, we propose that in the coming 10 years there will be a disproportionate opportunity for bold investors in these younger countries – Vietnam, India, Indonesia, Philippines, Pakistan and Sri Lanka. Some of these are small markets, not hugely liquid and not well represented in many funds. We have been investing in most of them for a number of years and since we have limited size funds, obtaining a good weighting to the best companies in these markets is easier for us than for many of our peers and as such, presents an unusual opportunity. We currently have one third of the fund in the 'demographic story' markets and have gradually been increasing our exposure recently by adding Pakistan where the country's growth opportunity, combined with very cheap stock valuation, looks especially good. Other countries will be added to further when valuations permit, India and the Philippines being amongst the four most expensive markets in the region currently.

Vietnam

Vietnam is our largest off index exposure and biggest theme at 22.9% of the fund. As of now the index there stands on a P/E of 12.5x 2017 earnings with 19.2% forecast earnings growth.

Our Vietnam portfolio, within the Prusik Asian Smaller Companies Fund, has returned 317% over a 5-year period since the position's initiation in December 2011 and yet the **portfolio is still on just 9.1x P/E with a 32.2% ROE**.

The Vietnam economy is growing around 6% per annum driven by foreign direct investment mainly in manufacturing. Companies such as LG Electronics, Samsung Electronics, Intel and Nike are all making a significant portion of their higher value added items in Vietnam. Mobile phones are Vietnam's single biggest export item and Samsung is a disproportionate percentage of this. Wages are about 35% of those in China, whilst higher education levels are better than those in the UK! Despite the impressive and technically high level of manufacturing that Vietnam hosts, it is worth noting some other basic stats which suggest Vietnam should remain a high growth country for a while longer. For example, only one third of the 92 million citizens have a bank account, only a third live in cities and per capita credit card penetration is just 25% of that in neighbouring Thailand.

2016 was a good year for the Vietnam stock market in terms of performance. In addition, there were many changes and developments which are serving to increase the attractiveness and gravitas of Vietnam as a portfolio investment destination for foreigners. To begin with, last year we saw the law change to allow the removal of foreign ownership limits. This has moved forward slowly but we believe 2017 should see more companies action this new allowance.

In addition, we saw some very significant and hugely successful IPOs in 2016, including two domestic beer companies (the largest and most successful being Habeco) and Airports of Vietnam, which rose 60% on listing. This starts the beginning of quite a pipeline of IPOs, which could be as much as $7.5 billion or 9% of the combined stock market capitalisation of all three exchanges in the coming year. We expect it to contain new listings equally as attractive as the ones we saw launched in 2016.

The government has laid out its plans for the coming 5 years and, encouragingly, these include more private sector development, more restructuring of SOEs and more capital market restructuring. In Vietnam, there has been an ongoing reform of SOEs but that having been said, there remains significant value in state run entities, estimated in the order of $220 billion. We believe the government is still committed to reducing the burden on government and selling assets in order to reinvest in infrastructure.

Vietnam, as a country, is export led. However, our holdings here are all exposed to local demand, a rising middle class, the emergence of a proper consumer credit cycle and rising infrastructure spending and property. Life insurance and smartphones, for example are growing at 30% per annum.

The risks to Vietnam in 2017 are coming from any protectionist policies that might be introduced by the US, although Trump seems to have a difficult relationship with China so Vietnam may, oddly, benefit here. The Trans-Pacific Partnership, which was mainly benefitting the textile sector, looks likely never to see the light of day under the Trump administration but it should not mean too much of a setback for foreign direct investment into Vietnam. This, in any event, is almost certainly now in the price.

We continue to hold our Vietnam investments in expectation of a good year again and are visiting the country in February.

Quang Ngai Sugar

Quang Ngai Sugar is a diversified, privately owned food and beverage company which majors in soy milk (57% of profit before tax), sugar (14% of profit before tax) and other categories (29% of profit before tax) including beer, mineral bottled water and confectionery. It is the number one player in soy milk in Vietnam with a truly dominant market share of 80%. The company also has an 11% market share in refined sugar, making it the third largest sugar producer in Vietnam.

The company's intention is to grow with both the soy milk and sugar markets by expanding capacity and utilizing its brand name and distribution reach to maintain dominance in the soy milk market and increase its market share in the sugar market.

The company delivered very impressive growth from 2011 to 2015 with a sales cagr of 18.3% and a net profit cagr of 20.8% over this period. Historical profitability levels are also very impressive with an EBITDA margin of 21.6% and an ROE of 56.6% in 2015. This is an even better ROE than Vinamilk has ever achieved in its operating history.

More recently, it is noticeable that soy milk sales in Vietnam experienced a slowdown in 2016 as competition with more traditional dairy products has been increasing; however, based on the staunch position of soy based products in other Asian consumption markets, we believe the Vietnam soy market will remain a growth market for many years to come. In addition, the sugar market is enjoying steady growth supported by higher volumes and higher ASPs.

The company has just completed a major investment cycle, spending VND 4,700 billion in total, on capacity expansions for both the soy milk and the sugar businesses. As such, we expect the company's free cash flow from next year onwards will be very healthy and this may lead to higher dividend payments.

The stock only listed on the junior index in Vietnam, UPCoM, at the end of December last year and expectations are that it will migrate to the main board in the next 12 to 18 months. The company trades on a 2017 P/E of just 14.6x, which is cheap for a food and beverage brand name that is a strong alternative for investors who might otherwise be looking at Vinamilk, the leading branded dairy company in Vietnam, or Sabeco, the leading beer brand in Vietnam. Vinamilk is trading on 19.7x 2017 P/E, whilst Sabeco is trading on 36.0x 2017 P/E.

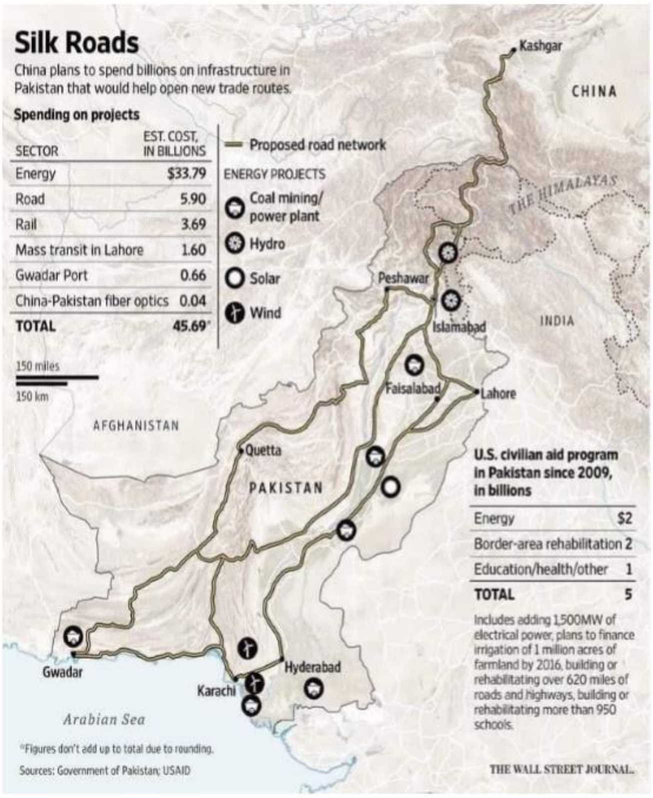
Pakistan

The Pakistan index gained 33.3% in 2016 but still stands at a 30% discount to the regional average P/E ratio at 9.2x. This has been partly driven by the announcement of Pakistan's formal inclusion in the MSCI Emerging Markets index, effective from this May, as well as improving macro and political stability and visible improvement in law and order. Indeed, Prusik visited Pakistan in September and returned safe and extremely positive.

We believe that the market can continue to make very strong headway in 2017, crucially by making progress in a global upturn or regardless of one. The economy is on a cyclical uptick and estimates suggest Pakistan GDP grew just under 5% in 2016, whilst inflation was low at 3.8%.

Pakistan has matured as a democracy and has recently found political stability. This has allowed the country to come together on constitutional and national agendas and to combat extremism and terrorism. Additionally, recently enhanced ties with China and the launch of the China Pakistan Economic Corridor (CPEC) mean that some $46 billion of signed agreements in investment from China will spur medium term growth and result in projects such as a 3000km rail road, development of special economic zones, 14 energy projects, as well as more airports and motorways. The energy projects especially are very important as they lay the foundations for the future industrial growth of Pakistan. Overall, the whole project massively underpins Pakistan's growth in the coming few years and sets the stage for ongoing economic development and more effective employment for the country's 200 million people.

The table below says it all. Since 2009 a paltry $5 billion had been invested by foreign programs. China's current plans will dwarf this by multiples.



Source: Wall Street Journal

The stock market capitalisation of Pakistan is $85 billion which represents 561 listed companies and sees average daily turnover of $100 million. The average dividend yield in Pakistan is just under 6%.

We currently have 7.9% of the fund invested in Pakistan across three holdings: **Indus Motor**, **DG Khan Cement** and **Fauji Cement**. The latter are clear beneficiaries of the huge infrastructure programmes afoot, while the car sector is likely to enjoy above average growth as car ownership rises in the coming years, supported by growth in consumer credit.

Indus Motor

Indus Motor, established in 1989, is a joint venture between House of Habib, Toyota Motor Corporation Japan and Toyota Tsusgo Corporation Japan and is in effect the Toyota franchise in Pakistan, assembling, manufacturing and marketing Toyota vehicles as well as importing some from Japan. Its key product is the Toyota Corolla, which is a high-end product in Pakistan, aimed at the more affluent customer. **Indus** dominates this segment of the market, accounting for an estimated two thirds of the high-end market, a position which has proved very sticky over time. Passenger car penetration in Pakistan is still very low on a global scale, although demand has been growing rapidly in recent years, helped by the stronger economy plus falling interest rates and petrol prices which has been bringing down the cost of car financing and making car ownership more affordable, respectively. Falling commodity prices and price hikes for the customer have helped the company increase its operating margin to a record 14.8% and lifted ROE to over 40% in recent years, despite having a significant cash position on the balance sheet, equivalent to 26% of the company's market capitalisation. **Indus** has a current market capitalisation of US$1.3bn, is trading on a forward P/E multiple of 11.8x and has a dividend yield of 5.6%.

Cement

We believe the cement market in Pakistan is attractive for a number of reasons. Firstly, Pakistan stands out as having incredibly low cement consumption per capita on a global scale. Secondly, with the economy now growing at a decent clip of 4-5%, rising incomes are driving urbanisation and thus increasing the need for more housing in the cities and better infrastructure. Thirdly, and most importantly, the China Pakistan Economic Corridor (CPEC) which is set to see US$50 billion of investment in infrastructure projects in Pakistan is expected to see cement demand increase from mid to high single digit growth to mid-teens growth in the coming years. From FY18 onwards, demand is expected to outstrip cement supply in Pakistan for the first time in a number of years, paving the way for price hikes. Strong balance sheets, good cash flows and sizeable dividends across the sector are also a boon. In the Prusik Asian Smaller Companies Fund we currently have two investments in the Pakistan cement sector, **DG Khan Cement** and **Fauji Cement**.

DG Khan Cement

DG Khan Cement is one of the leading cement companies in Pakistan. Central to our investment case for the stock is that it is trading on what we believe is an unjustified discount to the sector, very likely on account of its non-core investments. These investments in banking, insurance, textiles have generated a 15% cagr in non-operating income and also have the potential to generate significant value for the company via future listings. We believe this, plus the strengthening competitive position of the company owing to its recently opened captive power plant, which will generate significant costs savings and its plans to expand in south Pakistan where only Lucky Cement is present and much of the China led investment will be focused, suggests that the stock should be trading at least on par to the sector, or even at a premium. Currently, **DG Khan** trades on 6.0x EV/EBITDA, whilst its sector peers are trading on 7.0-9.0 EV/EBITDA. It has a market capitalisation of US$950 million, is net cash and has a 3.1% dividend yield.

Fauji Cement

Fauji Cement stood out from its peers on account of its significant underperformance relative to its peers for much of 2016. This was due to an unexpected silo collapse at the company which led to significant damage to one of its coal mills, forcing management to shut one of its two lines and import clinker to shore up market share. While earnings have taken a hit in the interim, the closed line is expected to be operational again in the next quarter or two at which point margins should normalise and earnings growth should resume. The company is also due a very large insurance payout. Prior to the incident, **Fauji Cement's** operating margins were amongst the highest in the industry at 40%. We bought the shares on account of the reaction to the accident being overdone and significant value appearing in the stock based on our conclusion that operations and earnings growth have a high probability of normalising. **Fauji Cement** has a market capitalisation of US$605 million and is trading on 7.6x EV/EBITDA with a 4.3% dividend yield.

China

Commodity Supply Side Reform

Two key objectives for the Chinese government in 2017 are to cut capacity in coal and steel, whilst at the same time, avoiding undue price hikes, which would contribute to uncomfortable levels of inflation. This balancing act also needs to take into account that steel demand is picking up, driven by better consumption of cars, fridges and general infrastructure machinery. As commodity prices have already responded to supply cutbacks and demand pickups, we are already seeing a small recovery in wages, which in turn bodes well for consumption in 2017.

Infrastructure Growth

Last year Premier Li stated that China would take decisive action if economic growth looked like it was slipping out of a reasonable range. As investment growth is still under pressure, real estate growth is likely to be moderately negative, and manufacturing investment continues to decline thanks to weaker exports and high inventories. Given this it looks as though infrastructure investment will once again play a crucial role in ensuring China's steady growth.

For many observers, the recent huge infrastructure spending suggests that China must really have limited upside from here in this sector. A recent report from Citic, however, presents some useful facts and makes it clear that there is yet significant upside.

China's infrastructure capital stock has grown at an average rate of 10% in the past 20 years. Despite this China's capital stock/GDP ratio is still only 0.68. To put this into context, the UK's ratio was 2.0 in the 1980s. In fact, at current infrastructure growth rates, China will take another 33 years to reach the same level that the US enjoyed in 2014.

There is an abundance of statistics to help support this point further. For example, China's average railway length per capita is just 15% of the G7 average; China's roads total 69% of the total in the US and less than the total in India; in airports, with just 200 civil airports in 2014, China is behind Brazil; in water China's pipelines equate to 13% of the pipelines in the US and only two thirds of China's sewage output is treated; on mobile phones a third of the population are still only on 3G networks.

This data suggests that we should not doubt that China's ability to add infrastructure for many years to come and that infrastructure investments are likely to reinvigorate productivity in the country, something which has been falling in recent years. We would expect growth in infrastructure spending in China could average around 15% cagr for the next few years.

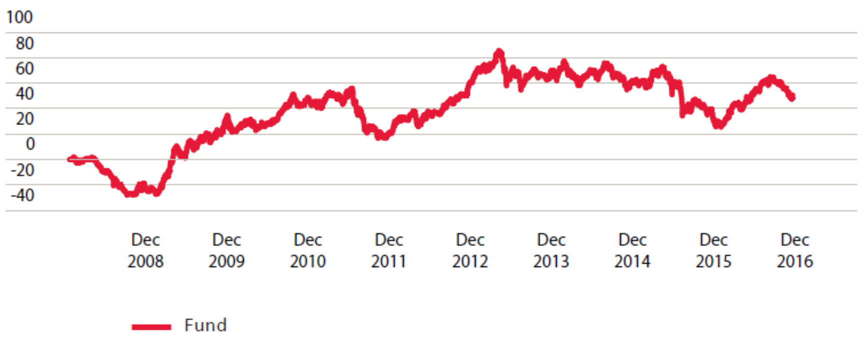
PORTFOLIO PERFORMANCE

Performance Summary (%)
Period ending 30.12.2016

	USD	GBP	SGD
1 Month	-3.04	-3.08	-3.01
3 Months	-7.48	-7.39	-7.35
2016	7.14	7.32	7.06
2015	-12.78	-12.15	-12.21
2014	-3.49	-3.49	-3.43
2013	7.51	7.29	7.64
2012	30.80	31.05	30.69
Since Launch+	49.15	58.08	10.12
Annualised 5 years	4.87	5.15	5.01
Annualised 3 years	-3.38	-2.94	-3.18
Annualised Since Inception	4.60	5.36	1.40

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.

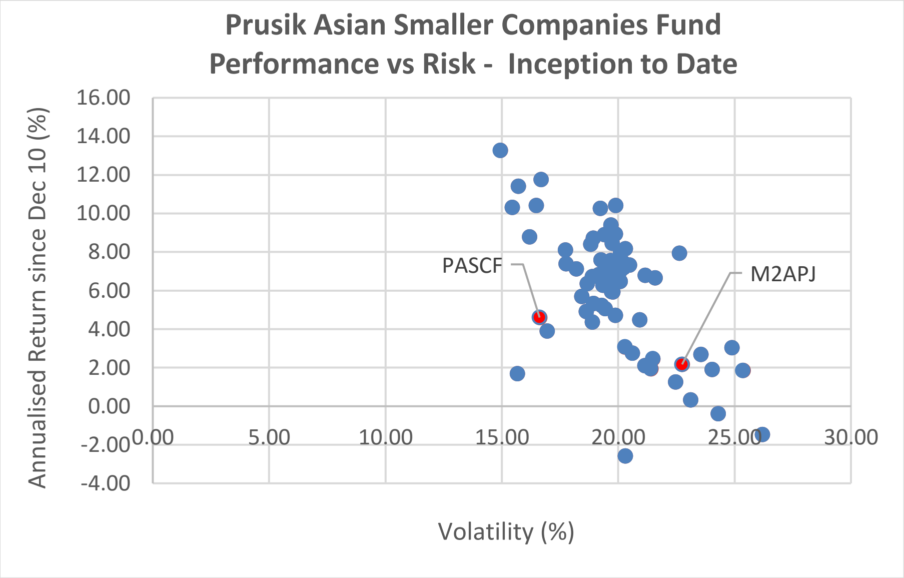
Monthly Performance Summary (%)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
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 (%)	3.23
Sharpe Ratio	0.46
Volatility (%)	16.15
% of the portfolio –which could be sold in 2 business days	76.52

Source: Morningstar
Since Inception: A: 08.02.08



Source: Morningstar

THEMATIC & GEOGRAPHICAL BREAKDOWN

Top 5 Holdings (%)

Mobile World Investment Corporation	7.7
Philippine Seven Corporation	7.2
FPT Corporation	5.7
Syarikat Takaful Malaysia Berhad	4.5
Li Ning Co	4.3
Total Number of Holdings	30

Portfolio Financial Ratios*

Predicted Price/Earnings Ratio	11.5x
Predicted Return on Equity (%)	23.2
Predicted Dividend Yield (%)	3.1

*Fiscal year periods

Thematic Breakdown (%)

Local Brands	26.4
Vietnam	20.7
Infrastructure	13.0
Sensors	8.4
Cash	7.6
Smart Textiles	6.7
Leisure/Tourism	5.9
Clean Energy	4.5
Financialisation	4.5
E-Commerce	2.3

Geographical Breakdown (%)

Vietnam	22.9
Taiwan	14.2
Hong Kong/China	12.3
Philippines	11.3
Malaysia	7.8
Pakistan	7.6
Cash	7.6
Sri Lanka	5.4
India	5.2
Korea	3.1
Singapore	2.7

All data as at 30.12.16. Source: Prusik Investment Management LLP, unless otherwise stated.

FUND PARTICULARS

Fund Facts

Fund Size (USD)	45.1m
Launch Date	8 February 2008
Fund Structure	UCITS III
Domicile	Dublin
Currencies	USD (base), GBP, SGD

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

Share Class Details

Codes			SEDOL	ISIN	Month end NAV
Class 1					
A USD	Unhedged	Non Distributing	B2PKN21	IE00B2PKN210	149.15
B USD	Unhedged	Distributing	B2PKN32	IE00B2PKN327	147.84
C GBP	Hedged	Distributing	B2PKN43	IE00B2PKN434	77.96
D SGD	Hedged	Distributing	B3M3HJ5	IE00B3M3HJ55	204.53

Performance fee based on individual investor's holding

U GBP	Unhedged	Distributing	BBQ37T7	IE00BBQ37T77	108.20

Performance fee based on fund performance as a whole

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