PRUSIK

LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

Prusik Asian Smaller Companies Fund

Quarterly Investment Report

30 June 2014

FOR PROFESSIONAL INVESTORS ONLY

2Q14 Review and Outlook

The first 6 months on 2014 saw a rise of 7.35% in the regional index, the MXAPJ. The Prusik Asian Smaller Companies Fund had a good start to the year however, this reversed from mid - March and has resulted in a disappointing Q2. While the index only rose fractionally during this early time frame, underlying stock moves for growth stocks, smaller companies and technology stocks in particular, were much greater on the upside, giving us good out performance through January. Since March however, there has been a sharp correction in technology companies, as well as a geopolitically driven correction in Vietnam. We have also seen the dawning of a reform theme in North Asia which has resulted in local investors actively selling small companies to buy the big SOE reform candidates. The upshot for the Prusik Asian Smaller Companies Fund was that the second quarter saw a rise in the fund’s NAV of 0.5%, which leaves us behind the index so far this year which is somewhat frustrating after an acceptable first quarter.

The first half of 2014 was probably one of the more macro - driven periods we have seen in a while, with the major stock market performers being India (driven by the landslide victory for reformist Modi in the recent elections) and ASEAN, with a notable performance from Thailand, despite considerable political upheaval and a coup, but also very strong returns from the Philippines. Perhaps our biggest mistake this half of the year was not to revisit our ASEAN theme – especially the Philippines and Thailand - which we reduced mid - year last year in favour of north Asian tourism and China internet themes. This worked very well for us last year but the correction recently in technology, as well as the underperformance in North Asia, has been quite savage.

In ASEAN we did remain overweight in Vietnam which is increasingly on everyone’s radar. As an exciting Frontier Market, Vietnam has been a core theme since January 2012 and has performed very well over the first half of this year. However, in the second quarter the market suffered during a geopolitical spat with China, resulting in a correction of over 15% peak to trough. At the time of writing a healthy recovery is under way but second quarter performance was affected by this.

So far the Vietnam theme has conformed to our classic ‘theme pattern’ of quiet, unobserved outperformance followed by ‘discovery’ by the market leading to further strong performance. In the second half of 2014 we expect foreigners will return to Vietnam with even more vigour which would be positive for our stocks.

The other major contributor to underperformance in the first half was our exposure to China, Hong Kong and Korea. All these markets underperformed the index over the period. We feel very strongly that this will reverse in the second part of the year. We believe the major catalyst will be reform, and a small amount of reflation.

We began writing about reform in China several months ago and since then we have seen a steady stream of state owned companies under the spotlight, starting with those with poor return on capital. For example, **Sinopec** has started restructuring its non-core businesses and there have been proposals to restructure **Petro China** into a holding company with assets and operating subsidiaries, suggesting that the government is serious about making SOEs more efficient. There are also rumours that gas price reform is afoot. Meanwhile, there has been more talk on RMB convertibility and there has been much emphasis on cutting down corruption. Finally, the telecom sector has been given clarity on VAT payment reform (negative, but anticipated), whilst at the same time it has been given the go-ahead to share towers, which is far more rational and beneficial to all (except **China Mobile**) in the longer term.

China, as measured by the HSCEI index is currently sitting on a current PE multiple of just 7.7x which is historically very cheap. Fascinatingly, since December 2010 earnings in the US have risen 57% and the index is up 79%. Meanwhile in China, over the same period, earnings have risen 85% but the index is down 10.5%. In Hong Kong companies have seen the same rise in earnings but that stock market has only risen 11%. It would seem that we are now beginning to see the catalysts to redress the balance.

Korea is also likely to be driven in the second half by reform. We are seeing real determination by the government to boost domestic demand and address some structural problems whilst encouraging companies to spend more on capex, to increase wages and to pay out more in dividends to shareholders. This will, like China, result in an improvement in returns on capital within the stodgy chaebol companies. Like in China, the impact of this (and any debt reduction) is likely to be a very strong future driver for share prices. Indeed a genuine structural re-assessment of how capital is deployed and subsequent improving returns on investment - if this can be achieved - could drive an impressive structural re-rating of both markets from here.

In short, we have dropped some performance in the Q2 by being too overweight in North Asia combined with some weaker stock picks but we see very strong reasons to be invested as we are and believe that these markets will do very well in the second half, redressing the balance. Smaller companies will be slower to respond to the changes that are taking place as a result of reform but will eventually, catch up as the economies become more efficient, as changes take hold and the stock markets are re-rated accordingly. This will be a matter of ‘when’ not ‘if’ for smaller companies. A healthier environment for private enterprise, encompassing efficient allocation of capital and better corporate governance, will be nothing but a strong positive catalyst for smaller companies in the fullness of time.

Notwithstanding the above, it wasn’t all bad! We had considerable out-performance in our tourism theme during the quarter under review. Here, the newsflow continues to be very good. For example overall tourist arrivals to Korea in April were up 29% yoy, the highest growth rate for 3 years, whilst the strongest trend came from China where arrivals were up a staggering 59% yoy in the same month. We continue to believe there still good growth to come from this theme.

We also added to our India holdings earlier in the year, taking the weighting up towards 10%. As the Indian market performed well in the second quarter driven by election euphoria, this move has nicely benefitted the fund. We have recently returned from a trip to India, where we found some excellent businesses. Sentiment may take a breather as the new government begins to introduce policies as there are bound to be disappointments after such excitement. However, cyclical recovery, reform and a debt repayment cycle, not to mention an increase in local investor participation all add up to a very positive medium term outlook for India.

In conclusion, we expect some shift in major areas of performance in the second part of the year and are optimistic that the portfolio is weighted in the themes and geographies with the most value and therefore potential upside after the recent corrections.

Portfolio Activity

We have tidied up the fund during the second quarter, adding to a few of our favourite companies and selling some smaller positons. The aim is to focus more on our higher conviction areas and reduce the number of positions. This process is ongoing.

To give you a flavour of the fund, set out below are several case studies of the companies we like which are doing well and in addition, some which have been disappointing in the second quarter, but on which we remain positive.

<u>Companies We Like Which Are Doing Well</u>

Naturalendo (Korea)

Source: Bloomberg

Naturalendo comes under our "beauty and wellness" theme. It has a unique product which is a patented herbal treatment for symptoms of the menopause, which impressively claims to ease 10 out of 12 key symptoms. These claims are well founded as **Naturalendo** has a staggering 80% market share of all menopause treatments in Korea including HRT. The company is now expanding globally where the market for menopause treatments is some US$11 billion. The company has high employee ownership along with a market capitalisation of US$950 million. We can't deny that it is now expensive in PE terms having had a great run, but it is unique with no real competition and has only so far, conquered Korea. The best, in our view, is yet to come.

Persistent Systems(India)

Source Bloomberg

Persistent Systems has a market cap of US$840 million and falls under our "Cloud Computing and software" themes as well as "Big Data". It is an Indian outsourced product development company which provides solutions and support for cloud computing, social media, mobile applications and data analytics. These are all fast growing areas but it is the latter which is new and possibly the most exciting. The company's key customers include Salesforce, Microsoft, Cisco and IBM and it was the first company to receive strategic investment from the Intel Fund. It has 10% of its market cap in cash and trades at a PE of 16.7x March 2015.

Silverlake Axis(Singapore)

Source Bloomberg

Silverlake Axis is our largest positon and has been a long term holding. It falls under both our Software and "Financialisation of Asia" themes as it is the dominant provider of IT systems and software services for banks, especially in SE Asia. The founder holds 67% of the shares, the company has net cash and has generated a 40% Return on Equity for the past 5 years. There is virtually no competition for **Silverlake** which continues to see very strong growth as the region's banks – especially those in SE Asia where 40% of the banks are clients of **Silverlake** - have to upgrade to reach their customers online and through mobile and other new points of contact. Customers stay with **Silverlake** as once upgraded they tend to sign long term agreements for servicing and updates. As a result, an impressive 40% of the companies' revenues are recurring. The company also pays a 3.7% dividend yield.

Wasion (Hong Kong)

Source - Bloomberg

Wasion falls under the “Internet of Things” theme and is a company we have known for 8 years. It is the leading supplier of power smart meters and therefore is at the cutting edge of power distribution services, data collection and intelligent systems management for power utilities. In short, it facilitates collection of data around power usage in the home. **Wasion’s** number one customer is the China State Grid which is aggressively investing in intelligent power distribution but, it also has a JV with Siemens leading to sales in South America and ASEAN. It is also expanding via acquisition. The company trades on a PE of 10.6x and has a 3.7% dividend yield.

Companies We Like Which Have Been Recently Disappointing

Paradise Entertainment (Hong Kong)

Source Bloomberg

Paradise Entertainment falls under our "leisure and tourism" theme and is a live gaming machine (LGM) producer for casinos and a Macau casino operator. Live gaming machines massively increase the productivity of a casino as they allow one operator / dealer to operate terminals that allow players to play more than one game simultaneously. They also allow casinos to circumvent table number caps and expand the numbers of players at any given point as 1 table can be replaced by 100 LGMs. The company has a monopoly position in Macau and is expanding its addressable market in the US, following recent license acquisition for product sales in Nevada and a tie up with International Game Technology and in Australia, following a tie up with Ainsworth. LGM product design is patented for the US and Macau.

The long term outlook is very strong – indeed the past 3 years net income growth of 65% cagr was achieved. However, the recent weakness was caused by expectations of slower 1H sales. At 11.4x PE the upside from here is potentially impressive.

Bizlink(Taiwan)

Source Bloomberg

Bizlink falls under our "connected car" theme and is the sole supplier of wire harnesses to Tesla. A wire harness is needed around any element of a car that uses electronics or chips. It is effectively the connective 'tissue' to the rest of the car. It is therefore an item which is increasing at an almost exponential rate as the amount of electronics in a car increases. Tesla has indicated an almost tripling of orders in the coming year whilst the company is on the cusp of gaining some new customers in Europe.

Reform

Between 2010 and 2013 it is striking that in Asia ex Japan Return on Invested Capital (ROIC) declined by roughly 300 basis points, from 3% to 0.6%. Indeed in 2013 companies on average barely covered their cost of capital. It is little wonder that the region fared relatively so badly compared to other world markets. Studies have shown that there is a very high correlation (about 85%) between P/B and ROIC, which means that for the Asia region to outperform again, something must be done to increase returns. It now looks as though this might be on the verge of beginning to happen, driven by reform.

Once one looks closely it is possible to see the winds of reform in many countries in the region. For example, Taiwan is finalising a trade pact with China with wide-ranging implications for trade and finance. The Australian government has plans for a 'roads for the future' programme to revamp infrastructure whilst the Philippines has overhauled the process for awarding infrastructure projects. Malaysia is addressing its power sector, Singapore its transport sector whilst political reform has been at the top of the agenda all year in Thailand. Meanwhile in India, since the election of the new

Modi government, reform is on everyone's lips. In Indonesia the new president elect, Joko Widodo, is set to take the reins in October and a host of opportunities now beckon to tackle bureaucracy and boost domestic demand in the face of weaker exports.

However, it is in China and Korea where the two most dramatic shifts are currently taking place.

China – Efficient Allocation of Capital?

Last quarter we wrote that there was a hint of reform in the air in China and that we had begun a new theme in recognition of the very real possibility that this could ignite a widespread change of emphasis towards efficient capital allocation. In addition, we noted that such was the hatred of China by investors that, potentially, a huge rerating of the market was possible as this new reality took hold.

Indeed in China's SOE sector, the 20 largest companies spent nearly US$180 billion a year in capex between 2010 and 2013, but over half were generating ROIC below the cost of capital. Indeed CLSA estimate that companies with negative EVA created some US$22 billion a year of value destruction!

In the last few months, but especially during July, evidence of reform has gathered pace and in recent weeks has actually lead to a very sharp rally in the China index, especially in the larger companies, SOEs and other potential beneficiaries.

It began in 2013 when the then newly appointed president, Xi Jinping, launched a robust anti - corruption campaign, in pursuit of the "Chinese Dream" and indicated that this would involve SOE reform. More recently Beijing announced that private ownership could be introduced in six identified pillar sectors, including autos, IT, equipment manufacturing, construction, materials, surveying and design. We have also seen a slew of reform measures in the oil and gas industry including energy price liberalisation in the gas and fuel sectors. **Sinopec**, for example, has spun off its EPC business and plans to restructure its marketing and sell up to a 30% stake to private investors. **Petrochina** is planning similar dramatic changes (see below).

In the telecoms sector an independent tower company is being established to help realise asset values and VAT payments have been overhauled and clarified. In the power sector, there are ambitious plans for the State Grid which manages transmission and distribution of power. Extraordinarily, it is now cheaper to buy solar power in some areas of China than to buy coal-fired power and with coal prices no longer surging, China may now achieve an appropriate cost pass - through mechanism for its producers, making the independent power producers investable businesses.

In addition, we saw recently a significant development as Datang Power offloaded its coal to chemical and coal to gas projects to the state owned **China Reform Corp**. By doing this the company removed its biggest drag to earnings and balance sheet. The key here is the emergence of the **China Reform Corp** which was formed in 2010 to help restructure the weaker assets of SOEs. We expect we may see more of this kind of transfer.

Meanwhile, in the finance sector, an enormous change will take place in October when the 'through train' comes into effect. This will allow mainland investors to buy Hong Kong listed securities via mainland brokers and the Shanghai Exchange. Similarly, Hong Kong investors will be able to buy 'A' shares listed in Shanghai via the Hong Kong exchange. Whilst there is an initial limit of RMB550 billion for these investments, it is an extraordinary step and one which last time it was mooted (but never took place), drove the Hang Seng up 70%.

Further reform in the finance sector will include more debt securitisation, interest rate liberalisation (to encourage more competition in the banking sector) and at some point in the future, more relaxed currency regulations. The interest rate liberalisation will be a major part of banking reform as banks are disinter mediated and the equity and debt markets develop.

This will hugely benefit both brokers and insurers, allowing more flexibility to create better wealth management products. The property sector will also be subject to overhaul in due course.

Korea – Rising Dividends

As if the changes taking place in China weren't significant enough, we are also seeing a massive policy shift in Korea which should have equally far reaching consequences.

In Korea 2Q GDP grew just 0.6% due to poor domestic consumption. The government has responded in spades, announcing an "ultra - strong stimulus package" with a key focus on tax reform aimed at enticing corporate income to the household.

Amongst the measures was an additional tax on "excess" corporate earnings that are not spent on capex, wage increases or dividends. Additional support will be given for companies who pay above average wages. In property, Loan to Value levels were raised to 70%. But perhaps the most profound change was allowing the National Pension Fund (which owns 9% of the stock market and has a 5% or more stake in 300 listed companies) to raise dividend demands in any corporate they own more than a 10% stake in, thus fundamentally changing in one area, the rule against the "purpose to partake in management" of investee companies of the fund. Companies must in future also be transparent in how they decide dividends.

So, in short, companies are being told they must either pay out cash to shareholders or employ it in the economy. Dividends will undoubtedly increase and, as we have seen in Taiwan, where they introduced similar measures 15 years ago, the increase could be very significant over time. These are unequivocal positives and there are plenty of cash-rich smaller companies who will be improving their pay-out ratios as a result.

India – Fish Soup?

It is easier to make fish soup from an aquarium than it is to make an aquarium out of fish soup. Nowhere is this adage more appropriate than India, where the apparent chaos of fish soup abounds. On our recent visit to India we looked more closely however and evidence is beginning to show as to how the metaphorical aquarium is under construction.

The new government in India, led by reformist Modi, has been in place for a matter of weeks but it has already signaled that it will be implementing far reaching changes and making tougher decisions. Simply decreasing bureaucracy and streamlining the decision process will reap huge rewards. Indeed there are currently some US$150 billion worth of projects stuck or stalled in the pipeline, totaling around 8% of GDP.

Property aggregation seems to be a particular hurdle. As a democracy, apparently condemned buildings are part owned often by dozens of apartment owners and usually, at least one holds out, making aggregation and redevelopment by would - be developers a very frustrating and often impossible process.

Even at the very bottom of the pile this process exists. To the naked eye the worst slums seems to be unchanged from 25 years ago but look again and something is quite different. Firstly, every tiny shambolic slice of the slum has its own satellite dish. This is an important clue to the fact that these days every dwelling of the inner city slum has a value and when these slums are redeveloped, the inhabitants are paid for their slice and indeed, are paid enough to buy a small apartment on the outskirts of town. Tellingly, many chose to redeploy this money into another inner city slum, waiting for another developer to come along. Slum “flipping” is, it would appear, a lucrative pastime! One of the changes coming first from the new government will be easier land acquisition regulations which will also give a big boost to manufacturers and the infrastructure sector, who are looking to aggregate land. Home and landowners will benefit too.

Equally strong measures are coming into the power sector where a staggering 27% of electricity is stolen from the grid. Rationalisation across the board is in order. Oil subsidies currently account for 1.5% of GDP and accounted for nearly 20% of the government’s fiscal deficit in recent years. A more market oriented and transparent system for fuel will free up funds for other important areas such as education, which is a major weakness in India.

Finally we can expect a good overhaul in the banking sector and in labour regulations. The latter especially suffers under archaic and entrenched laws which work against the desire to increase the labour force.

Overall, India, like China, sits at the cusp of beginning to realise its potential as these radical reforms go through. Like China the economy has not really picked up yet and nor has any of this reform promise even begun to make a measurable difference in the real economy. That is yet to come.

There are two other important points to make:

(1) Unlike in China, in India the future upside is more widely appreciated by foreigners who have bought heavily into the equity market in recent months.

(2) Indeed it is quite common to find top quality companies with very little room for additional foreigner investment from here.

Local Investor Exposure to Indian Equities

However, in India the potential future buying power undoubtedly comes from the locals. The comparison is stark with Europe and the Americas, where households have 25-50% of their savings in equities. In India, the share remains dismally low at around 3-4%.

In the last five years ending 2012/13, only INR742 billion of household savings has flown into capital markets, constituting only 1.5 percent of total household financial savings, 0.6% of gross domestic saving and a meagre 0.19% of GDP in this period.

This can and most likely will change. We can very easily see household savings worth 0.75%t of GDP flowing into the equity market in the next five years. This adds up to roughly US$100 billion (with the rupee at 60 to the dollar) of domestic money being pushed in to capital markets in the next five years, about US$20 billion every year, enough to absorb any foreign investor induced volatility to a great extent.

This may sound daunting. However, it’s worth remembering that during 1990-95, household savings to the tune of 1.07% of GDP flowed into capital markets annually on average, while in the five - year period ending 2007-08, average annual flows were about 0.83% of GDP. Today, we are sitting on the strongest political mandate in three decades and that too, for a government that is focused on growth and economic revival.

Indian households have put in an aggregate US$235 billion in provident and pension funds since 1970-71. In the last five years (ending 2012-13), approximately US$107 billion have gone into retirement savings. Even if 30% of the retirement savings in next five years were to flow in equities, it would mean inflows to equities of about US$40-50 billion in the next five years. Retirement funds have not found their way into equities so far, despite the government allowing investing a part of it in equity markets.

Equally, the National Pension Scheme (NPS), a novel concept similar to the Superannuation Fund in Australia and 401,000 in the United States, was launched in 2004 but has failed to take off due to its voluntary nature. The global experience is that people do not commit to long - term retirement and social security provisions unless it is mandated by law. NPS allows people to invest a certain portion of their retirement savings in equity markets, as per their choice. It could in future be made mandatory for all employees and employers as in so many other countries.

Finally, according to estimates, Indian households, religious institutions and trusts hold 31,000 tonnes of commercially available gold, worth US$1.4 trillion at current prices. This money can be easily brought into capital markets by incentivising households, by way of gold bonds, to convert their gold holdings into capital market instruments.

Debt Repayment

From our recent trip we think we have also spotted the very early stages of an important new trend in India, namely debt repayment by corporates. This is purely anecdotal so far but notably in India, by comparison to everywhere else in the region, many companies are still labouring under a huge debt burden. During our visit we heard many times how companies are selling non-core assets and reducing debt and are setting themselves much lower debt targets going forward. This is very powerful if indeed it is happening. Companies who are paying down debt should be strongly re-rated by the market and it is another bullish development to add to reform and economic recovery.

Vietnam

Vietnam's economy has been through a classic credit - fuelled emerging market boom/bust cycle over the past 5 years. For the past 2 ½ years however, the stock market has been recovering and with good reason. Inflation is now back at decade-low levels of 4.4% (having reached 23% in 2011), the trade balance is at a 15 year high (6.6% of GDP), the central bank is accordingly easing interest rates and finally, we are starting to see property transactions pick-up. The Government is also making progress on addressing the bank NPLs sitting on bank balance sheets via their new bad bank - the VAMC. It is easy to be structurally bullish on the long-term story of Vietnam (good demographics, cheap labor costs vs. neighboring countries, rising investment rates from low levels).

We have recently seen a very sharp correction, driven by the geopolitical clash between China and Vietnam over the positioning of an oil drill. This has now been resolved, but has given a good buying opportunity to investors looking to invest in the second half of the cycle in which growth recovers.

China Internet

The China internet stocks have been an Achilles heel of the fund this year with the violent correction which began in Q1 2014 having a large bearing on the relative performance of the fund. We have already written extensively on the sector which we believe will be a significantly larger part of the economy in the coming 3 years, with the better companies still generating 30-100% growth per annum. Furthermore, nearly half the population has yet to make it online. However, one of the hardest things to gauge as a foreigner, or even a visitor, is how pervasive the internet has become in people's lives in China. This is at least in parallel with the most intense usage elsewhere in the world, but China does seem to have taken the internet to its heart.

For example in a typical office, people buy everything online down to small things such as toilet paper and cooking oil. They pay utility bills on line, and even things like paying each other back for the cost of a lunch box, they can settle with Zhifubao (online payment software by **Alibaba**). Everyone now gets a taxi using the Didi taxi service software owned by **Tencent**) or the Kuaidi taxi service (owned by **Alibaba**).

Meanwhile, online financial services are taking off. People happily deposit their spare cash at Li Cai Tong (a product offered by **Tencent**) which can give you as high as 4% yield and if you need the money, your money can be transferred back into your account within 2 hours.

Entertainment has also been taken online, with the new business model we have written about in the past at **YY** (virtual live and interactive performance – especially music) beating both the sceptics and delivering eye watering growth. Recently **Leshi** (an A share listed company) was able to host an online concert for a popular singer Wang Feng. Other than paying RMB280-1680 to watch the concert at the stadium, people had the choice to watch it real time online, but only paying RMB30. As a result, they sold 64,000 online tickets and earned about RMB 2m from the online tickets sales alone.

Internet is "THE" new way of life in China. The adoption rate is very high and innovation extraordinary.

PORTFOLIO PERFORMANCE

Performance Summary (%)
Period ending 30.06.2014

	USD	GBP	SGD
1 Month	2.45	2.40	2.43
3 Months	0.45	0.49	0.39
Year to Date	1.52	1.52	1.46
Since Launch+	67.89	70.26	23.10
2013	7.51	7.29	7.64
2012	30.80	31.05	30.69
2011	-19.28	-19.86	-20.04
Annualised 5 years	10.15	10.19	-
Annualised 3 years	3.98	3.95	3.74
Annualised Since Inception	8.44	8.68	4.77

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

Fund Performance - Class A USD (%)

Source: Bloomberg. Total return net of fees.

Monthly Performance Summary (%)

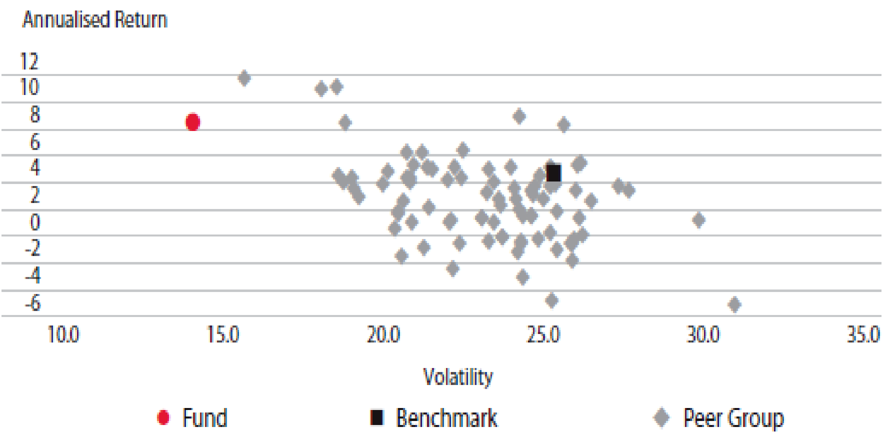
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
2014	0.21	3.58	-2.62	-2.50	0.56	2.45							
2013	7.27	3.73	1.32	1.82	3.58	-9.40	0.10	-4.52	3.54	2.84	-1.44	-0.51	7.51
2012	5.05	7.75	-1.04	4.29	-5.53	3.11	2.27	-0.65	5.40	1.27	4.12	1.81	30.80
2011	-2.15	0.43	2.35	3.75	-0.57	-1.22	3.60	-11.67	-8.27	0.37	-5.50	-1.07	-19.28

RISK ANALYSIS

Risk Metrics	Fund
Beta	0.55
Alpha (%)	5.9
Sharpe Ratio	0.60
Volatility (%)	14.10
% of the portfolio –which could be sold in 2 business days	71.8

Source: Bloomberg
Since Inception: A: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 Fund Index), 8.02.08 to 30.06.14

THEMATIC & GEOGRAPHICAL BREAKDOWN

Top 5 Holdings (%)

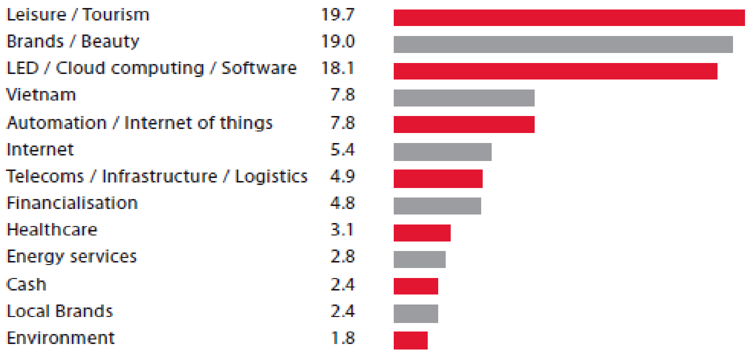
Silverlake Axis Ltd	4.4
eMemory Technology Inc.	3.1
Naturalendo Tech Co.	3.0
Ezion Holdings	2.8
Gome Eectrical	2.6
Total Number of Holdings	58

Portfolio Financial Ratios*

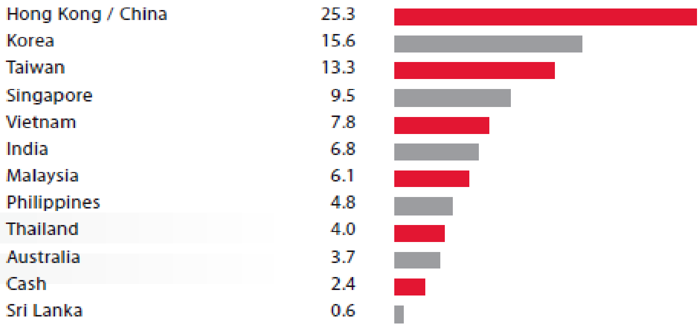
Predicted Price/Earnings Ratio	13.1x
Predicted Return on Equity (%)	20.2
Predicted Earnings Growth (%)	23.4

*Fiscal year periods

Thematic Breakdown (%)



Geographical Breakdown (%)



All data as at 30.06.14. Source: Prusik Investment Management LLP, unless otherwise stated.

FUND PARTICULARS

Fund Facts

Fund Size (USD)	195.0m
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	167.89
B USD	Unhedged	Distributing	B2PKN32	IE00B2PKN327	168.04
C GBP	Hedged	Distributing	B2PKN43	IE00B2PKN434	87.43
D SGD	Hedged	Distributing	B3M3HJ5	IE00B3M3HJ55	230.77

Performance fee based on individual investor's holding

U GBP	Unhedged	Distributing	BBQ37T7	IE00BBQ37T77	90.32

Performance fee based on fund performance as a whole
All share classes are closed to new investors as a of 30th September 2013.

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