PRUSIK

LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

Prusik Asian Smaller Companies Fund

Quarterly Investment Report
30 September 2013

FOR PROFESSIONAL INVESTORS ONLY

3Q13 Review and Outlook

Following the corrections in early summer, the index rose strongly in the third quarter, registering a rise of 7.5%. The fund marginally lagged the index as the ASEAN markets failed to resume their strong tone of earlier in the year. Since the early summer we have significantly reduced our ASEAN exposure, although we do remain slightly overweight versus the index. In making this change we feel we minimised the extent of the underperformance in the last few months and also feel the fund is well set for the final quarter of the year and beyond. Our weightings in North Asia, specifically Korea and China, have increased significantly. We remain faithful to our preferred themes, concentrating on tourism, services, wealth management, entertainment and beauty related businesses. However, we did add one major theme, China internet, which has been a very strong contributor since its inclusion.

Outlook

We think the outlook is complex – but it's not all bad! We expect markets to continue to do well in the short term, driven by the better perception of the growth outlook in Europe and China. For Asian markets in particular, global investors' current weightings in Asia are now 1.6 deviations below the historical average, meaning that a positive adjustment towards Asian equities could come at any point, especially if economic growth in China reasserts itself. However, there is still a risk that sometime next year markets might face some headwinds owing to further trouble in the region's bond market. In the longer term we believe that parts of Asia, such as ASEAN, will offer much better than average growth compared to the rest of the world. This should be supportive of equities in the region in general and lead investors to reassess how they see their Asian portfolios.

Our positioning

We have carefully reduced a large part of the portfolio that could be described as 'quality defensive domestic growth'. These companies had become very expensive with many trading at P/Es of over 25x. Instead we have gravitated towards the more cheaply valued North Asian stocks and have given the portfolio slightly more of a 'growth' tilt. 'Growth' as an investment style has been somewhat out of favour for years which, in our view, is leading to both opportunity and risk. In our opinion, popular styles such as quality defensives are now too widely held in portfolios and no longer offer any value. Meanwhile, in the past three months 'growth' has been the best performing strategy in Asia, possibly giving the first indication of a change in focus for the markets. The ability to be flexible and avoid the crowds will be very important in the coming year.

The portfolio currently trades on a PE of 11.7% and has aggregate forward earnings growth of 24.4% and has average ROE of 19%.

China

First, a headline comment: by the second quarter of 2013 China had become the most hated market and had historically low valuations to match. However, since the mini credit crunch there in late spring the Chinese stock market has quietly outperformed. Few are still giving China and its markets any credit for change though. After all the Shanghai Index has fallen for four consecutive years and still stands barely 20% above its 2008 lows, so investors will take time to review their opinions. We think that growth in the short term will surprise on the upside and that the recent Third Plenum sets up a very credible path for the coming five years. As a result, views on China will need to become less bearish.

Meanwhile, from a thematic perspective, there are some tremendous opportunities in China.

The Party Plenum and Reform in China

All eyes have been on the communique issued at the end of the Third Plenum held by the Communist Party's 18th Central Committee. What we see is a general statement about the desire to solve the current economic and social difficulties through reforms. We expect more specific details on these reforms in the coming days and weeks. However, we have already been given some hints.

Expectations had been running feverishly high prior to the Plenum. And the communique, which mostly repeats generalities that have been said before, may be interpreted as a disappointment. We think patience will be rewarded though.

Several highlights of the communique include:

- ***Deepening economic reforms to ensure that the market will play a "decisive" (previously "basic") role in allocating resources*.** The change in the wording of the role of markets in allocating resources signals the government's strong determination to deepen market oriented reforms. We expect deregulation to be a top priority for the reform package.

- ***Using "opening up" to push forward domestic reforms*.** More specifically, controls on market access will be relaxed, the development of free trade zones will accelerate and inland borders will be further opened up. This implies that eventually "national treatment" will be given to foreign as well as domestic private firms in most sectors.

- ***Accelerating the transformation process of government function*.** China is to deepen the fiscal reform, by improving its budget management and taxation systems in a bid to make responsibilities of government agencies match properly with what they spend.

- ***Private sector development will be encouraged*,** which will in turn stimulate vitality and creativity in the whole economy.

The communique also briefly touched upon "improving the financial market system," "building an equitable and sustainable social safety net," "properly matching revenues and expenditure responsibilities for local governments" and "creating a unified urban-rural land market". These references are consistent with market expectations of financial liberalization, social security reform, development of the local government bond market, property taxation and rural land reforms.

We think that any disappointment which might follow in the next few months will be because other peoples' perspective is too short term. The government is telling us here what the next 5 years will look like and as reforms come through, the market should recover and re-rate. The best areas for investment are also embedded in the messages. We think social security such as financial services and healthcare, land owners in rural areas and private enterprise will be strong beneficiaries. Steady progress in reforms, the rise of private enterprise and better allocation of capital should underpin the economy and the stock market.

China Growth

Port Headland in Australia announced recently that in October they saw *all time record* shipments of iron ore. In our list of anomalies that triggers our thematic searches 'records' can be very instructive. The inference from this anomaly is that China is growing more strongly than the market is giving it credit for. Meetings with companies in Hong Kong in recent weeks also confirm this.

China Internet

As we mentioned earlier in the report, growth is becoming a scarce commodity, but there is one area where this is verily not the case: China internet.

Internet stocks had languished in the unpopular category alongside China as a whole until the second quarter. At this time we increased our exposure to the China internet theme to about 10% of the fund on the simple basis that growth rates were anomalously high. Barely five months on, some are already asking if we are in another internet bubble. We think we are still in the foothills or in terms of the internet bubble witnessed at the turn of the century, we are in '1998 territory'. Here's our rationale for why.

Firstly, some basic yardsticks. China currently has some 679 million internet users, which roughly equates to a 50% penetration rate. Crucially, 91% of these users access the internet from a mobile device, making it the most developed mobile internet market in the world.

The online gaming market in China is worth $10 billion, larger than the market in both the US and Japan. Intriguingly, in China 98% of all video games are accessed online whereas in the US most games are still played using a console.

The e-commerce market in China is already the second largest e-commerce market in the world with only the US outstripping it. However, the Chinese e-commerce market is expected to grow much faster. Estimates forecast that the e-commerce market in the US will grow at a 12% cagr from 2012 to 2014, but in China the market will grow at a staggering 65% cagr. By 2017 the China e-commerce market is expected to be the largest globally.

Online advertising in China now accounts for 28% of the nation's total advertising budget, well ahead of the US where only 18% of total advertising spend is allocated to the internet. It is also worth noting here that China's overall advertising spend per head is well below that in the West.

Other categories such as digital music, films, books and newspapers in China remain tiny when considered on a global scale.

So why the excitement now?

Mobile internet

It all started a few months ago when it became clear for the first time that **Facebook** and **Baidu** were actually able to earn serious revenue and profit from mobile users. Up until then monetising large mobile user subscriber bases had just been something which investors and industry observers hoped for.

Fast forward to October this year when **Facebook** reported another set of results. The consensus forecast was for Facebook to make earnings per share of US$0.18, but **Facebook** trumped this, announcing earnings of US$0.25, nearly 40% higher than expected.

This time last year mobile revenue at **Facebook** was US$188 million. And now? For the most recent quarter Facebook made a massive $900 million in mobile revenues.

Shortly afterwards **Baidu** also reported its quarterly results. **Baidu's** mobile growth of around 42% was impressive, although it is yet to enter the same universe as Facebook. However, there were a few datapoints which suggest it's on its way. For example, installation of **Baidu's** mobile app were up

50% quarter on quarter, whilst adoption of location based services rose from 20m to 140m over the same period.

Baidu's mobile revenues came to 14% of total revenues in the quarter. This is aligned with global numbers that show that mobile internet traffic is still ONLY 15% of total internet traffic. We believe the real fun will start though when mobile revenues cross the 20% threshold. Historically, this is a pattern we have seen with other networking services such as fixed line and mobile telephony, fax machines, GSM handsets and email, which is, after 20% penetration, these services go super critical.

Unsurprisingly, guidance from **Baidu** was raised for the fourth quarter. The mobile internet is just beginning.

E-commerce in China

Monday 11th November saw the arrival of China's equivalent to the Black Friday and Cyber Monday shopping days in the US, which it terms '1111 Singles Day'. '1111 Singles Day' is first and foremost an online shopping day in China, driven by frenzied promotions and of course eye watering sales discounts. **Alibaba** invented this day to promote e-commerce a few years ago.

By Monday evening **Alibaba** had generated US$5.5 billion in sales revenue, up an extraordinary 83% year on year. By contrast Cyber Monday generates about $2 billion in revenues! Significantly more transactions were carried out via mobile this year and the social network platforms and search engines were all involved and benefitted from the promotional campaigns.

Clearly e-commerce is going to grow further in China, and fast. Most young Chinese people will happily explain that shopping in malls is far more expensive than shopping online, plus online shopping means no exposure to pollution and terrible traffic jams.

The biggest anomaly of all is that there is currently only one listed pure play e-commerce company in China, **VIPshop**. **Alibaba** is rumoured to be listing soon and indeed when it does it will be a giant. Even now **Alibaba** sees larger daily revenues across its e-commerce platforms than **Ebay** and **Amazon** combined. This is leading to expectations of an IPO value of US$100-200 billion!

Interpark

For the **Prusik Asian Smaller Companies Fund** some of our recent discoveries in the internet space have been outside of China. **Interpark** is one such company.

Interpark is a Korean small cap e-commerce play in a particularly interesting niche. It started out as a pioneer in the internet space as the first Korean company to launch an online shopping mall in 1996, the first company to establish an online books store in 1997 and the first company to set up an online ticketing store in 1998. Why this stellar start did not result in a much bigger, much more dominant internet company nearly over 15 years later remains a bit of a mystery to us, but what we can say – and what we would choose to focus on – is that it has excelled in the online ticketing market and has set up a newer business in online travel with much success. **Interpark** has a staggering 70% share of the online ticketing market for entertainment such as concerts and musicals in Korea. Its position in the market is strengthened by the fact that it owns and operates a number of concert venues itself and the huge pool of tickets it has access to – nearly 10,000 tickets, which is nearly three times bigger than its nearest competitor. The company has seen sales in this business grow at a 20% cagr over the past 5 years and strong growth is expected to continue with Koreans spending, on leisure and entertainment, amounting to just 3.7% of GDP compared to an average of 5.5% across the developed world. **Interpark's** track record in online travel sales is similarly glowing.

Here the company has a 40% share of the market and the gross merchandise value for online tickets and hotels bought via **Interpark** have increased at a massive 46% cagr over the past 5 years. Management have recently decided to place more focus on the online ticketing and travel business rather than the online books and shopping business and so while revenue growth for the business overall is likely to slow from here, profits should soar. Further, **Interpark's** recent consolidation of its stake in **iMarket Korea** and bringing the other subsidiaries out of the red over the next year should also provide a healthy boost to the bottom line. We bought the shares at a significant discount to global e-commerce peers, although the stock is now trading on a 2014 P/E of 25x after impressive gains in the share price. We continue to monitor and evaluate our holding owing to the now richer valuation but we still believe the long term opportunity is significant.

Magic Holdings

At the outset we mentioned that we remain faithful to our favourite themes, including travel, entertainment, leisure and beauty. One stock which we held until recently under our beauty theme was **Magic Holdings**. We wrote about this company in an earlier quarterly this year after our analyst, Anna Gallagher, came back from her extensive investment trip to China, taking in 9 different Chinese towns and cities in 14 days with **Magic** as one of her top buy ideas.

Magic Holdings is the leading face mask player in China with 26% market share versus just 9% for its nearest competitor. Its most popular products are 'peel off' face masks priced at just US$1 to US$2 each, which Chinese girls in their teens and twenties use to try and whiten their skin as well as a way to relax and unwind. The investment team at Prusik looked at samples of the products which Anna brought back with her and to be frank, this was slightly off-putting as the masks appeared to use quite strong chemicals and were quite different to any products we had seen in the UK! However, what encouraged us to overlook any personal prejudices we had was that **Magic Holdings** operates in a market which is growing at 25-30% pa yet the stock was trading on just 13x 2014e P/E and had the equivalent of 25% of its market capitalisation in net cash. We were also excited by the fact that on her travels Anna had seen **Magic's** products on the shelves of nearly all the convenience stores and Watsons that she had visited. Finally, a leading face mask company in China fitted well with one of our favourite themes – leisure and entertainment in Asia, which includes beauty treatments, cosmetics and plastic surgery.

We are pleased to relay that in mid-August this year, three months after we had bought shares in **Magic Holdings** for Prusik Asia Smaller Companies Fund, French cosmetics and beauty product giant, **L'Oreal**, announced its decision to buy **Magic** for HK$6.30 per share. This represented a 25% premium to the previous day's closing price and a roughly 35% premium to where we invested in the shares. **L'Oreal** already has a sizeable business in China, where it has operated since 1997, with two manufacturing facilities and one research and development centre, but given **Magic's** leading market position in a fast growing category and a well developed distribution channel we can see what the attractions were for **L'Oreal**. This good share price performance for **Magic Holdings** in August led to the company being the top contributor to the fund's performance in the third quarter.

Sugar and Diabetes

It is a shocking statistic that in the US every 17 seconds somebody is diagnosed with type 2 diabetes, joining a global population of 366 million people. Whilst most of this population is in China and India, the pressure it bears on the healthcare system is best observed in the US where the disease and its collateral damage (kidney and heart disease, blindness and amputations) costs the US healthcare system US$150 billion annually. In Brazil alone some 65,000 people have a gastric band fitted. By 2030 it is estimated that 552 million people around the world, or one in every 10 adults, will have type 2 diabetes.

The current situation in Asia bodes ill for the disease there too. We have been long pointing out the powerful shift taking place in buying habits, with millions of new middle class shifting away from wet markets and into the modern retail sector. Here branded packaged goods and non essentials abound – fizzy drinks, biscuits, snacks and cakes – and so eating habits are changing fast. There are already around 500 million obese people in the world and 1.5 billion who are overweight but with such changes at play in the developing world these figures will only rise with time.

GI Dynamics, a small Australian healthcare company has developed an exciting new device called an Endobarrier, which could become a global solution to this epidemic. This device works by lining a stretch of the intestine below the stomach where most excess sugars are absorbed. The fitting procedure is very simple, taking just forty minutes under light sedation, so it's far less invasive than a gastric band. Once fitted, the essential nutrients are absorbed by the stomach and the excess sugars pass through. Not only does the device facilitate weight loss it also results in an extraordinary change in eating habits which last even after the device is removed. Blood sugar levels are stabilised and blood pressure is reduced. Just 18 months after the device has been fitted the patient's insulin fall to levels low enough for the patient to come off insulin altogether. **GI Dynamic's** Endobarrier has been used so far by 1,200 patients globally with patients consistently showing less need for insulin as well as weight loss and lower blood pressure.

"Scoop", one of our Australian stockbrokers had one fitted 6 months ago. Here he is before and after 6 months – nearly 20% lighter!

Before Endobarrier treatment

6 months post Endobarrier treatment

The product is undergoing a pivotal trial by the FDA in the US which is scheduled to complete this time next year, while sales in the self pay market in Brazil, the Middle East and India are expected to increase significantly in 2014. The national roll out of the device in Australia which started this year is already going well. If **Gl Dynamics** is able to supply its products to the diabetic population in Australia alone – some 12,000 people – then the business will turn profitable. Thus, we believe **GI Dynamics** has a fairly short run before it leaves the incubation and development stage and becomes a high growth business on the radar screen of investors. It currently has a market cap of $270 million with $63 million in cash.

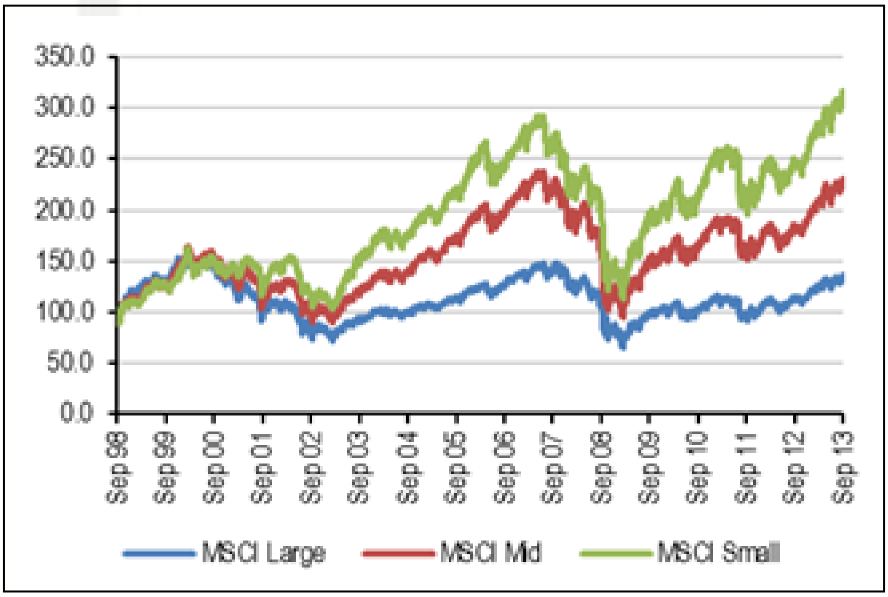
Small Caps

At Prusik we believe our approach to smaller companies sets us apart from much of our peer group. Firstly, we have a dedicated smaller companies fund which is unusual in Asia. When you look at the Asian investment universe it is very hard to find more than half a dozen dedicated smaller companies funds. Our **Prusik Asian Smaller Companies Fund** invests primarily in companies with market capitalisations of less than US$1 billion, which is typically too small for most mainstream funds. Further, our general fund, the **Prusik Asia Fund**, has over two thirds of its capital invested in companies with market capitalisations under US$10 billion and one fifth invested in companies under US$2 billion.

As keen smaller company investors for our whole career we have struggled to persuade many people that Asian smaller companies are NOT more risky and indeed that they generate much higher returns over the long term because this is counter intuitive to the conventional thinking about Asia.

However, recently UBS has come to our rescue with a long report on the subject of why smaller companies outperform, with findings applicable to the smaller company universe the world over.

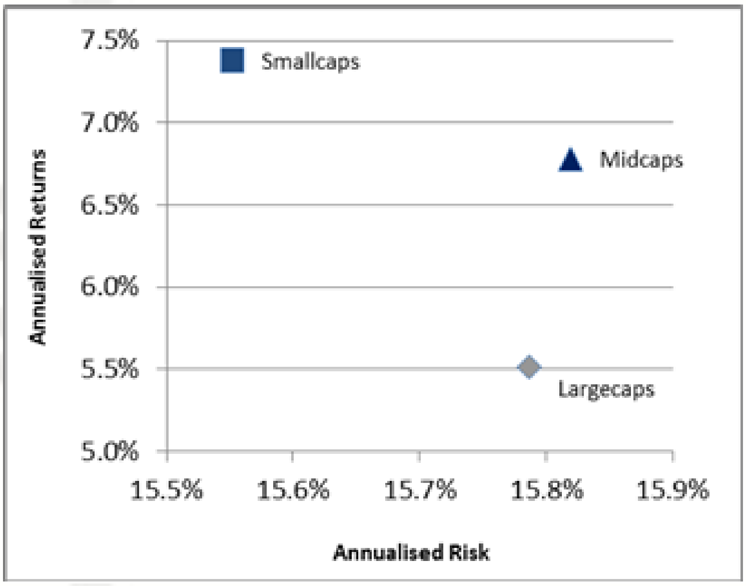
As the chart below shows, for the last 25 years smaller companies have consistently outperformed larger companies. Moreover, smaller companies have outperformed in both 'growth' and 'value' styles.



Source: UBS / Thompson Datastream

The key question, of course, is whether this outperformance has come with more risk, which is where the report becomes really interesting. According to the data available smaller companies are not significantly more volatile than larger companies.

Global annualised 20 year risk /return



Source: UBS / Thompson Datastream / MSCI

So why is it that smaller companies outperform? The report analyses the possible reasons and rules out higher ROEs, better margins, balance sheet factors and dividend yields. The positive drivers are in fact quite simple: growth, especially exposure to new technologies, M&A and (you may not believe this!) better corporate governance. In terms of corporate governance management teams of smaller companies are more likely to align themselves with the interests of minority shareholders. This is because smaller companies are often majority owned by the founder or founding family and / or senior management. Such a shareholder structure ensures that company management teams make genuinely long term strategic decisions. Small companies also score well on boards and pay.

We are already converts as to the benefits of investing in smaller companies and can see all the good reasons to have a exposure to this very undiscovered part of Asia. Valuations for small caps remain attractive and, in particular, if growth returns as a sought after investment factor then smaller companies should far even better.

Hengqin

Sometimes a picture tells a thousand words. But if you were wondering where the earlier mentioned record shipments of iron ore out of Port Headland, Australia were headed, then this picture might give you a clue. Hengqin is a new city under construction in China, but unlike some of the others this one is unlikely to remain empty for long! It is being built on the mainland, but is only a stone's throw (or a short journey over Lotus Bridge) across a narrow 50m stretch of water from Macau. Out of thin air, costing Rmb20 billion and due to open in December, is the Chimelong Hengqin Bay Hotel which is to offer 1,888 guest rooms and house the world's largest ocean animal aquarium as well as a number of stadiums. The first China International Circus Festival will be held next door in the International Circus City in a few week times. This is just the first stage though of a multi-year development for Hengqin where the target is to host 20 million visitor arrivals a year. Experts on Macau suggest that the shortage of hotel rooms as well as living accommodation for workers will be eased by the building of Hengqin. This combined with the other tourist attractions being built (we met a Macau resident who is being kept awake by the lights and noise of a giant roller coaster being built across the causeway) will drive more gamblers to the casinos as well.

We believe Hengqin will become part of the Guandong-Macau-Hong Kong free trade zone and as such will have a vibrant future, not just as overspill from Macau, but as a tourist destination in its own right. While we have been very happy investors in the Macau casinos over the years, we now feel that the extrapolation of expectations on gambling may have got ahead of itself, plus 6 new casinos are due to open in Macau in 2017. Instead we prefer to focus on other tourist activities such as the development in Hengqin because we believe that the Chinese government's decision to develop new tourist centric cities tells us that this is a theme worth investing in.

Vietnam

Vietnam has been a theme in the fund since January 2012, which fortunately has been the low point of the stock market cycle since then. Indeed, year to date, Vietnam has been the best performing market in our Asian universe. In early 2012 the country was coming to the end of a year-long battle with extreme inflation which had driven CPI to well over 20% and interest rates had risen accordingly to prohibitive levels. The Hanoi Index had fallen around 65% from its peak in 2007 and the country bore all the hallmarks of the bursting of a typical emerging market bubble. By the end of 2011, as you remember from our reports then, were trading on P/E s of 2-4x with dividend yields well into double digits.

Fast forward nearly 2 years and its time for an update. Vietnam remains well off most radar screens, probably owing to its small stock market size and the government's slow progress regarding recapitalising the banks and restructuring state owned enterprises. Whilst these accusations are fair, it has been business as usual for many companies, many of which are seeing rapid growth, and the stock market has done well. It now seems that the much needed progress is coming, which would be very positive news indeed.

Firstly, a 'bad bank' (VAMC) for bad loads is going to be created which is essential to the process of recapitalising the banking sector. Banks report non performing loans of 5% but the reality is somewhat closer to 10% on average and 15-20% in some cases, rendering large chunks of the sector insolvent. That said, the overall sums are around 10% of GDP, so the current solution gives banks plenty of time to restructure their loans. Further, this combined with a national willingness to repay debt and the banks' asset quality should soon improve. In the meantime, smaller companies have learnt to be highly cash generative in order to sidestep the need for debt, whilst larger companies do have access to loan facilities at palatable rates.

Secondly, the government appears to be intent on restructuring the country's inefficient State Owned Enterprises (SOEs). Simple statistics tell us all we need to know. SOEs consume 80% of the capital in Vietnam but generate just 40% of GDP. Growth at the SOEs has also been sluggish at best while private enterprise has been on a tear. This has seen SOEs go from employing 60% of the population to just 20% today.

Finally, the size of the stock market is a problem for many foreigners, but this is also set to change. There are only 25 stocks with market caps over $200 million and trading over $500,000 a day and many of the larger ones have reached foreign ownership limits i.e. 49% for non-sensitive sectors and 30% for banks. However, by the end of this year these should be raised to 60% and 39%, respectively. Up to 100% foreign ownership is envisaged for non-sensitive sectors in the next few years.

The overall outlook for the new cycle in Vietnam is good. Economic growth bottomed at 5% last year and should grow to about 5.8% in 2013. Meanwhile inflation has calmed to a more modest 7%. As an export orientated country with over 70% GDP coming from this sector Vietnam should benefit from a sustained recovery in the global economy. Moreover, the fact that Vietnam boasts a cheaper labour force than China, Indonesia and Thailand, means it is increasingly being targeted by regional companies such as Samsung who want to increase their exports to ASEAN.

It is quite possible that Vietnam has quietly followed the track of many of our themes, quietly performing without recognition, and now sits at the point of discovery. This could well be accompanied by some major policies by government to tackle the problems mentioned above. Vietnam companies remain cheap compared to the region and we remain positive on the outlook for 2014.

PORTFOLIO PERFORMANCE

Performance Summary (%)
Period ending 30.09.2013

	USD	GBP	SGD
1 Month	3.54	3.31	3.42
3 Months	-1.04	-1.21	-1.21
Year to Date	6.61	6.47	6.76
Since Launch+	63.98	66.43	20.34
2012	30.80	31.05	30.69
2011	-19.28	-19.86	-20.04
2010	16.43	16.90	7.90
2009	59.70	56.10	-
2008	-21.60	-18.40	-
Annualised 3 years	5.09	4.71	4.74
Annualised Since Inception	9.15	9.44	5.11

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 (%)

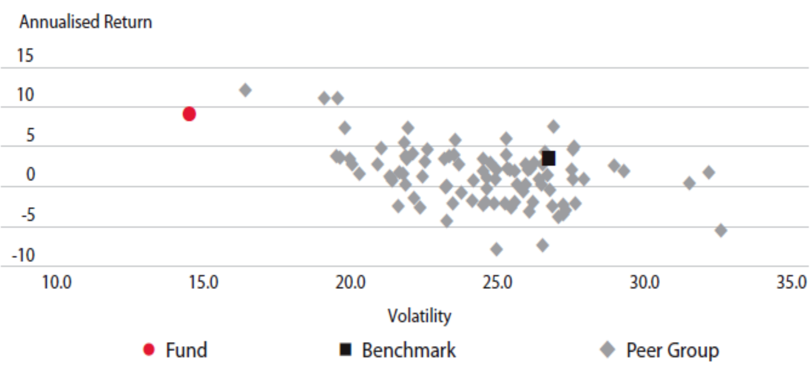
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2013	7.27	3.73	1.32	1.82	3.58	-9.40	0.10	-4.52	3.54			
2012	5.05	7.75	-1.04	4.29	-5.53	3.11	2.27	-0.65	5.40	1.27	4.12	1.81
2011	-2.15	0.43	2.35	3.75	-0.57	-1.22	3.60	-11.67	-8.27	0.37	-5.50	-1.07
2010	-0.70	-1.52	3.68	3.23	-4.23	1.20	0.83	2.74	7.45	3.62	-2.11	1.67
2009	-3.55	-2.02	-5.64	16.67	17.71	-3.66	8.91	-2.01	5.48	-2.16	4.42	4.81
2008			-2.44	0.52	0.26	-6.71	-3.49	-5.53	-8.52	-5.94	0.05	6.87

RISK ANALYSIS

Risk Metrics	Fund
Beta	0.56
Alpha (%)	7.2
Sharpe Ratio	0.63
Volatility (%)	14.6
% of the portfolio –which could be sold in 2 business days	67.9%

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 30.09.13

THEMATIC & GEOGRAPHICAL BREAKDOWN

Top 5 Holdings (%)

Gamevil	3.1
Kolao Holdings	3.0
Gome Electrical	2.9
Li Ning Co	2.8
Wha Corp	2.6
Total Number of Holdings	75

Portfolio Financial Ratios*

Predicted Price/Earnings Ratio	10.5x
Predicted Return on Equity (%)	18.8
Predicted Earnings Growth (%)	23.3

*Fiscal year periods

Thematic Breakdown (%)

Domestic Consumer	24.5
Infrastructure	16.7
Local brands	11.3
ASEAN Consumer	10.5
Smartphones/Internet	10.1
Entertainment/Tourism	8.4
Vietnam	5.0
Other	3.9
Oil Services	3.5
Beauty	2.2
Financial Services	2.2
Cash	1.7

Geographical Breakdown (%)

Korea	17.6
China	17.4
Singapore	14.3
Thailand	10.1
Philippines	8.1
Malaysia	7.7
Taiwan	7.6
Vietnam	6.2
India	2.1
Australia	2.0
Indonesia	2.0
Hong Kong	1.9
Cash	1.7
Sri Lanka	1.5

All data as at 30.09.13. Source: Prusik Investment Management LLP, unless otherwise stated.

FUND PARTICULARS

Fund Facts

Fund Size (USD)	181.6m
Launch Date	8 February 2008
Fund Structure	UCITS III
Domicile	Dublin
Currencies	USD (base), GBP, SGD

Share Class Details

Codes

Class 1			SEDOL	ISIN	Month end NAV
A USD	Unhedged	Non Distributing	B2PKN21	IE00B2PKN210	163.98
B USD	Unhedged	Distributing	B2PKN32	IE00B2PKN327	164.13
C GBP	Hedged	Distributing	B2PKN43	IE00B2PKN434	85.46
D SGD	Hedged	Distributing	B3M3HJ5	IE00B3M3HJ55	225.59
U GBP	Unhedged	Distributing	BBQ37T7	IE00BBQ37T77	96.45

Management Fees

Annual Management Fee
1.5% p.a Paid monthly in arrears
Class U – 1% p.a. Paid monthly in arrears
Performance Fee
All classes except Class U: 10% of NAV appreciation with a 6% hurdle annually
Class U: 10% of the net out-performance of the MSCI Asia Pacific ex Japan Index (MXAJP) with a high-water mark paid quarterly

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

Fund Manager

Heather Manners
Tel: +44 (0)20 7493 1331
Email: heather.manners@prusikim.com

Sales & Marketing

Mark Dwerryhouse
Tel: +44 (0)20 7297 6854
Mob: +44 (0)7831 856 066
Email: mark.dwerryhouse@prusikim.com

Nazinna Douglas
Tel: +44 (0)20 7493 1331
Fax: +44 (0)20 7493 1770
Email: nazinna.douglas@prusikim.com

Prusik Investment Management LLP
1st Floor 46 Hays Mews
London W1J 5QD

Web: www.prusikim.co.uk
Email: enquiries@prusikim.com