

Prusik Asian Smaller Companies Fund



GROWTH INVESTING IN ASIA

PRUSIK

31 May 2019

Monthly Fund Fact Sheet

Investment Objective

To preserve capital and generate absolute returns over a full economic cycle by investing primarily in Small Cap companies in Asia Pacific ex-Japan, whilst maintaining portfolio volatility significantly below the peer group.

Fund Facts

Fund Size (USD)	33.3m
Launch date	8 February 2008
Fund Managers	Heather Manners Anna Gallagher
Fund Structure	UCITS III
Domicile	Dublin
Currencies	USD (base), GBP, SGD

Performance (%)

	A USD	C GBP	D SGD
1 Month	1.08	0.87	1.01
3 Month	2.65	2.09	2.44
Year to Date	7.98	7.04	7.57
Since Launch	51.93	54.26	9.76
Annualised [†]	3.77	3.95	1.00

Source: Morningstar.

Launch Date: A: 08.02.08, C: 25.03.08, D: 15.01.10

[†]Since Launch Performance

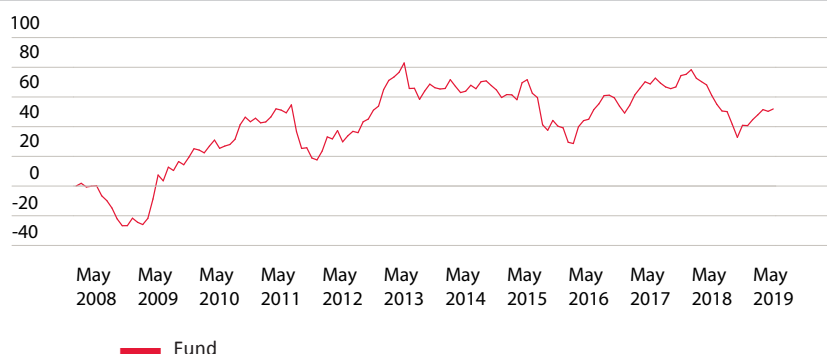
Investment Process

With anomalies as a start point, the investment process seeks to identify and invest in key 'themes' in the Pacific region. Our themes are driven by factors outside of the normal economic cycle and are not yet discounted by the market. Companies are identified and chosen via rigorous bottom-up analysis with emphasis on traditional value and high ROCE. Cash and Index Futures are used when opportunities are few and to reduce portfolio volatility.

Dividend Dates

Dividends paid twice annually (January and July)

Fund Performance - Class A USD (%)



Source: Morningstar. Total return net of fees.

Fund Manager Commentary

Last month we highlighted that May was likely to be an interesting period for the fund given that both Indonesia and India were due to announce election results at the end of the May and Pakistan was expected to reach a deal with the IMF. The outcome of both elections was positive with Jokowi in Indonesia winning by a much wider margin versus his 2014 victory and Modi in India winning by a larger majority than was expected. Stock markets reacted favourably. From 22nd May, at which point the election results were clear, to the month-end, the Indonesian stock market was up 5.8%, whilst the India small cap index was up 3.7%. At the same time, US-China trade tensions intensified, leading the China index down 12.8%. Against such a backdrop and with US government bond yields softening, it is perhaps unsurprising that the fund performed well in May, particularly in relative terms. The fund returned 1.1% in the month which was 8.0% better than the main Asia ex-Japan index return of -6.9%. This takes the year to date performance of the fund to 8.0% which is 2.4% ahead of the M2APJ index return of 5.6%.

Performance was led during the month by **Edelweiss Financial Services**, our Indian non-bank financial company, **Sea Ltd**, our ASEAN focused mobile gaming and ecommerce company, and **Philippine Seven**, our convenience store operator. The biggest drag was **Indus Motor** in Pakistan post its weaker than expected quarterly results. In terms of geography, the fund saw positive absolute and relative returns in all countries except Sri Lanka and Pakistan where the fund has just 6.7% invested. First quarter results have now been released across the board with the fund showing average earnings growth for 1Q19 of 15.6%, which we believe is solid in the current low global growth environment.

We believe the backdrop for the fund remains supportive. Interest rate cuts and a more benign liquidity environment are broadly expected in India, while Indonesia has just seen its credit rating upgraded from BBB- to BBB. This marks the first time in two decades that Indonesia has an investment grade rating from all the top rating companies. Elsewhere, in Pakistan, we have just seen British Airways reinstate flights to Islamabad for the first time in 10 years. In a world where politics in the West has become worryingly volatile and fragile, we welcome the stability and focus on reform which is evident across Asia's south eastern nations.

All data as at 31.05.19. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Smaller Companies Fund



Top 5 Holdings (%)

FPT Corporation	7.3
Philippine Seven Corporation	6.9
Mobile World Investment Corporation	6.4
Sea Ltd	4.7
Ace Hardware Indonesia	4.1
Total Number of Holdings	38

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	14.9x
Predicted Return on Equity (%)	35.5
Predicted Dividend Yield (%)	2.4

Risk Metrics

Tracking Error (% pa)	13.36
Beta	0.57
Alpha	1.47
Volatility (%)	15.32
Sharpe Ratio	0.38

Thematic Breakdown (%)

Modern Retail	29.1	<div></div>
Leisure/Tourism	16.1	<div></div>
Infrastructure	15.7	<div></div>
Communication Technology	13.8	<div></div>
Local Brands	12.8	<div></div>
Financialisation	11.2	<div></div>
Cash	1.2	<div></div>

Geographical Breakdown (%)

India	33.3	<div></div>
Vietnam	26.9	<div></div>
Philippines	13.8	<div></div>
Indonesia	13.7	<div></div>
Pakistan	5.0	<div></div>
Singapore	4.7	<div></div>
Sri Lanka	1.4	<div></div>
Cash	1.2	<div></div>

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Management Fees

Annual Management Fee

1.5% p.a. Paid monthly in arrears

Performance Fee

All Classes except Class U: 10% NAV appreciation with a 6% hurdle annually

Class U: 10% NAV appreciation with a 1.5% hurdle, 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

Share Class Details

Share Class	Sedol	ISIN	Month-end NAV
A USD Unhedged Non distributing	B2PKN21	IE00B2PKN210	151.93
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	144.14
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	72.71
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	194.91
U GBP Unhedged Distributing	BBQ37T7	IE00BBQ37T77	103.02

Performance fee based on individual investor's holding.

Performance fee based on fund performance as a whole.

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