

Prusik Asia Emerging Opportunities Fund

GROWTH INVESTING IN ASIA



31 December 2019

Monthly Fund Fact Sheet

Investment Objective

The fund aims to generate capital growth by investing in companies operating in Asia, with a specific focus on the demographic growth markets. In addition, it targets above average earnings growth and ROE for its invested companies versus local markets and Asia more broadly.

Fund Facts

Fund Size (USD)	33.5m
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	0.69	0.50	0.63
3 Month	2.42	2.07	2.32
2019	12.28	10.28	11.44
Since Launch	57.98	58.93	13.70
Annualised [†]	3.92	4.02	1.30

Source: Morningstar.

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

[†]Since Launch Performance

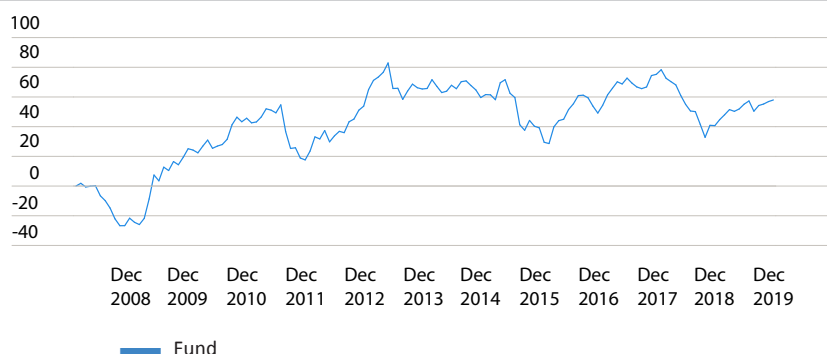
Investment Process

The starting point for the fund is an exclusive focus on the demographic growth markets in Asia, namely those with large, young and growing populations. Over the next few decades these countries are due to benefit from their demographic dividend, leading to GDP growth roughly double that of Asia's more economically mature nations. This backdrop provides a fertile hunting ground for companies which are able to compound their earnings over the long term. The fund combines a thematic approach with stock picking that favours market leaders with a clear, sustainable competitive edge, which helps drive above average earnings growth and ROEs over the long term.

Dividend Dates

Dividends paid twice annually (January and July)

Fund Performance - Class A USD (%)



Source: Morningstar. Total return net of fees.

Fund Manager Commentary

The Prusik Asia Emerging Opportunities Fund rose by 0.7% in December, taking the full year return for the fund to 12.3%. While the fund is not measured on a relative basis owing to its limited 14% overlap with the M2APJ index, the fund's return for 2019 compares well with the Asia ex-Japan small cap index return which rose by 10.9% in the year, representing outperformance of 1.4%. However, the main Asia ex-Japan index performed more strongly in 2019, rising by 19.5%. This was driven by strong index performance in December with the index up 5.8%. Although the fund had kept close pace with the main Asia ex-Japan index until the end of November, December's returns were focused in North Asia as news emerged that the tariffs, which were scheduled to be imposed on China by the US from 15th December, would be delayed and that negotiations had become more constructive. Owing to its positioning in South and South East Asia, which we believe will be at the heart of Asia's growth story over the next 5-10 years, the fund did not rise to the same extent.

During December, **Sea Ltd**, our ASEAN focused ecommerce and mobile gaming company performed well as the market continued to appreciate its recent positive results. Indeed, **Sea Ltd**, was the fund's best performer in 2019, returning an impressive 255%, aided by its global success with mobile game, Free Fire, and rapid growth and improving market positioning for its ASEAN focused ecommerce business. We continue to remain very positive on the company's long-term growth potential and enjoyed an excellent meeting with management at **Sea's** headquarters in Singapore in November.

Elsewhere, our India, Philippines and Pakistan portfolios were lacklustre in December, partly as a handful of previously strong performing stocks took a pause. Convenience store leader, **Philippine Seven**, Indian online travel giant, **Makemytrip.com**, and Indian non-bank financial which has been scuppered by the credit squeeze, **Edelweiss Financial Services**, in particular conformed to this trend.

Through the course of 2019 we worked to upgrade the portfolio in select areas, exiting smaller holdings in India and two holdings in Indonesia which were facing structural headwinds. We also allocated a meaningful portion of the fund to large capitalisation companies following a change to the mandate beginning from 1st August which allowed for 25% of the fund to be invested in stocks worth more than US\$10 billion. As such, we believe the fund ends the year well positioned for the year ahead. In addition, the broad backdrop for our invested countries also looks promising. India has been working through its mini-credit crunch headaches for more than a year now and encouragingly has an array of support packages in place, Pakistan is now receiving funding from the IMF, Indonesia should start to feel the benefits of its lower interest rates, the consumer in the Philippines continues to spend with confidence and Vietnam's tailwinds remain intact. Overall, we believe the fund is well placed to build on the double-digit returns of 2019.

All data as at 31.12.19. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asia Emerging Opportunities Fund



Top 5 Holdings (%)

FPT Corporation	8.6
Philippine Seven Corporation	8.1
Mobile World Investment Corporation	7.7
Sea Ltd	5.9
Ace Hardware Indonesia	3.6
Total Number of Holdings	38

Portfolio Financial Ratios

Price/Earnings Ratio	17.6x
Predicted Return on Equity (%)	22.7
Predicted Dividend Yield (%)	1.8

Risk Metrics

Tracking Error (% pa)	13.23
Beta	0.56
Alpha	1.12
Volatility (%)	15.15
Sharpe Ratio	0.39

Thematic Breakdown (%)

Modern Retail	30.5	<div></div>
Emerging Technology	22.5	<div></div>
Local Brands	14.7	<div></div>
Infrastructure	11.4	<div></div>
Financialisation	10.4	<div></div>
Leisure/Tourism	9.5	<div></div>
Cash	0.9	<div></div>

Geographical Breakdown (%)

India	32.0	<div></div>
Vietnam	26.9	<div></div>
Indonesia	14.3	<div></div>
Philippines	13.8	<div></div>
Singapore	5.9	<div></div>
Pakistan	4.6	<div></div>
Sri Lanka	1.7	<div></div>
Cash	0.9	<div></div>

All data as at 31.12.19. Source: Prusik Investment Management LLP, unless otherwise stated.

Management Fees

Annual Management Fee

Class A, B, C, D, U - 1.2% p.a. Paid monthly in arrears.

Performance Fee

No performance fee.

Dealing

Dealing Line	+353 1 603 6490
Administrator	Brown Brothers Harriman (Dublin)
Dealing Frequency	Daily
Min. Initial Subscription	USD 10,000
Subscription Notice	1 business day
Redemption Notice	1 business day

Share Class Details

Share Class	Sedol	ISIN	Month-end NAV
A USD Unhedged Non distributing	B2PKN21	IE00B2PKN210	157.98
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	147.99
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	73.95
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	199.39
U GBP Unhedged Distributing	BBQ37T7	IE00BBQ37T77	101.01

This document is issued by Prusik Investment Management LLP and is for private circulation and information purposes only. Prusik Investment Management LLP is authorised and regulated by the Financial Conduct Authority in the United Kingdom and in the United States of America has Exempt Reporting Advisor status with the Securities and Exchange Commission. The information contained in this document is strictly confidential and does not constitute investment advice, nor an offer or solicitation to buy or sell any securities and or derivatives or to make any investment decision and may not be reproduced, distributed or published by any recipient for any purpose without the prior written consent of Prusik Investment Management LLP.

The value of investments and any income generated may go down as well as up and is not guaranteed. You may not get back the amount originally invested. Past performance is not a guide to, or indicative of, future results. Changes in exchange rates may have an adverse effect on the value, price, or income of investments.

The information and opinions contained in this document are for background purposes only, and do not purport to be full or complete. Please refer to the fund prospectus for more detail. The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors and investors alike should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of shares under the laws of the jurisdictions in which they may be subject to tax. No representation, warranty, or undertaking, express or limited, is given as to the accuracy or completeness of the information or opinions contained in this document by any of Prusik Investment Management LLP, its partners or employees and no liability is accepted by such persons for the accuracy or completeness of any such information or opinions. As such, no reliance may be placed for any purpose on the information and opinions contained in this document.