

Prusik Asia Fund

GROWTH INVESTING IN ASIA



30 April 2020

Monthly Fund Fact Sheet

Investment Objective

The Fund aims to achieve capital growth by investing in listed equities in the Asia Pacific region excluding Japan.

Fund Facts

Fund Size (USD)	103.6m
Launch Date	7 October 2005
Fund Manager	Heather Manners
Fund Structure	UCITS III
Domicile	Dublin
Currencies	USD (base), GBP, SGD
Index	MSCI AC Asia Pacific Ex Japan Gross Return Index (USD)

Performance (%)

	U (GBP)	Index (GBP)
1 Month	13.72	7.96
3 Month	-1.49	-5.48
Year to Date	-4.87	-8.52
2019	7.07	14.87
Since Launch	69.71	64.64
Annualised†	8.05	7.57

Source: Morningstar.

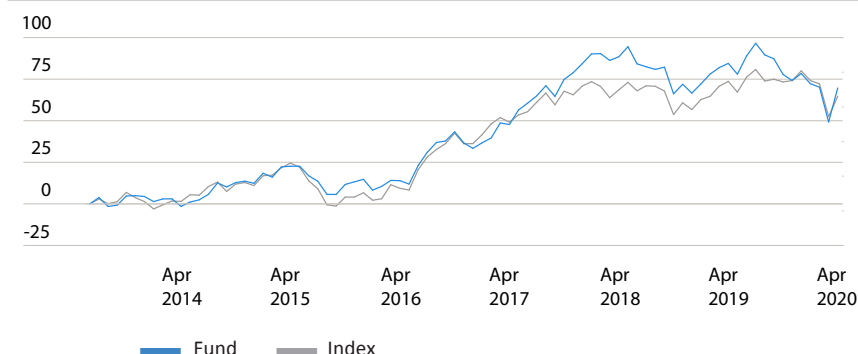
Launch Date: U: 01.07.13

†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.

Fund Performance - Class U GBP (%)



Source: Morningstar. Total return net of fees.

Performance since launch of Class U GBP share class - 01.07.13

Fund Manager Commentary

In April, global stock markets enjoyed a strong rally, and the MSCI AC Asia Ex Japan Index (M2APJ) was no exception, bouncing 7.96% in sterling terms. The Prusik Asia Fund rose 13.72%, outperforming by 5.76%.

Although many stocks rebounded from very steep declines, it was notable that the performance leaders in the portfolio didn't change much from previous months. Yet again **Ping An Healthcare** (AI based virtual GP service in China) was our best performer, adding nearly 2% alone. **Sea Ltd**, our ASEAN based Ecommerce and gaming company, was also a very strong contributor. Both these companies were on the portfolio leader board last quarter and also throughout 2019 and we have since taken some profits in early May. Additionally, our gold mining companies did well. Happily, we also saw some good recovery from our Vietnamese companies as Vietnam looks to be emerging from the virus crisis with very few cases. Detractors were mainly the more economically sensitive positions such as **Capital Land**, **Ciputra** (both property and shopping malls) and **Reliance Industries**, although all three were disposed of during the month. Beyond that, there was very little change to the portfolio from what was described in the quarterly and last month's report. We remain in a quite defensive state by just owning companies whose businesses are thriving or surviving well, or which provide portfolio insurance, such as gold miners. The net effect of this is that the portfolio P/E and P/B are now a little higher than the market average of 14x and 1.4x, respectively, but the portfolio ROE is nearly double the market average of 10.9% at 19.5%. The slightly higher portfolio valuation illustrates the premium now appearing for those companies with earnings visibility in the current environment. Whilst we are aware of this growing valuation premium, we feel it is not yet time for markets to favour more cyclical and economically sensitive companies, despite the valuation gap. However, we are monitoring this closely.

The outlook remains mired in a tug of war between extreme liquidity provided everywhere by central banks and the historical economic dislocation caused by the virus which will, we believe, have a terrible impact on many company earnings this year and possibly beyond. While we remain in a debt deflation environment, companies actually delivering earnings growth should continue to perform. Globally, the risk is that the US dollar breaks higher causing pain in many emerging markets and that once again, the relationship deteriorates between the US and China.

Asia is certainly now beginning to emerge from 'stage one' of the virus impact and the coming few months should give the world some insight into how 'recovery' might look. We think an announcement of some fairly significant policies to boost the economy in China after the Golden Week holiday is possible. The portfolio is mainly exposed to North Asia which should be in the vanguard of this recovery.

All data as at 30.04.20. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asia Fund



Top 5 Holdings (%)

Tencent Holdings Ltd	5.6
Sea Ltd	4.3
Poya International Co Ltd	4.2
Taiwan Semiconductor Manufacturing Co Ltd	4.0
Newcrest Mining Ltd	4.0
Total Number of Holdings	33

Portfolio Financial Ratios

Price/Earnings Ratio	18.0x
Predicted Return on Equity (%)	19.5
Predicted Dividend Yield (%)	2.2

Risk Metrics

Tracking Error (% pa)	6.88
Beta	0.92
Alpha	-0.02
Volatility (%)	18.05
Sharpe Ratio	0.36

Thematic Breakdown (%)

Modern Retail/Brands	20.2	<div></div>
Ecommerce/Gaming/Entertainment	16.6	<div></div>
Cloud/Servers/5G	14.5	<div></div>
Healthcare/AI	13.8	<div></div>
Gold	9.7	<div></div>
Infrastructure	8.5	<div></div>
EV/Battery	7.4	<div></div>
Cash	5.9	<div></div>
Financialisation	3.3	<div></div>

Geographical Breakdown (%)

China	40.0	<div></div>
Australia	15.3	<div></div>
Taiwan	12.2	<div></div>
Vietnam	9.8	<div></div>
Korea	9.2	<div></div>
Cash	5.9	<div></div>
Singapore	5.7	<div></div>
Malaysia	1.9	<div></div>

All data as at 30.04.20. Source: Prusik Investment Management LLP, unless otherwise stated.

Management Fees

Annual Management Fee

Class U: 1% p.a. Paid monthly in arrears
All Share Classes except Class U: 1.5% p.a. Paid monthly in arrears

Performance Fee

Class U: 10% of the net out-performance of the MSCI AC Asia Pacific Ex Japan Gross Return Index (USD), with a high-water mark paid quarterly
All Share Classes except Class U: 10% NAV appreciation with a 6% hurdle annually

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	B0MDR72	IE00B0M9LK15	232.42
B USD Unhedged Distributing	B0M9LL2	IE00B0M9LL22	232.57
C GBP Hedged Distributing	B18RM25	IE00B18RM256	118.86
D SGD Hedged Distributing	B3LYLK8	IE00B3LYLK86	312.95

Performance fee based on individual investor's holding.

U GBP Unhedged Distributing	BBQ37S6	IE00BBQ37S60	169.71
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Performance fee based on fund performance as a whole.

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