

Prusik Asia Emerging Opportunities Fund

GROWTH INVESTING IN ASIA



29 May 2020

Monthly Fund Fact Sheet

Investment Objective

The fund aims to achieve capital growth by investing in companies operating in the Asian and Australasian ex Japan region, with a specific focus on the demographic growth markets.

Fund Facts

Fund Size (USD)	26.8m
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	5.08	4.98	5.05
3 Month	-11.23	-12.71	-11.80
Year to Date	-17.81	-19.32	-18.33
2019	12.28	10.28	11.44
Since Launch	29.84	28.22	-7.14
Annualised [†]	2.14	2.06	-0.71

Source: Morningstar.

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

[†]Since Launch Performance

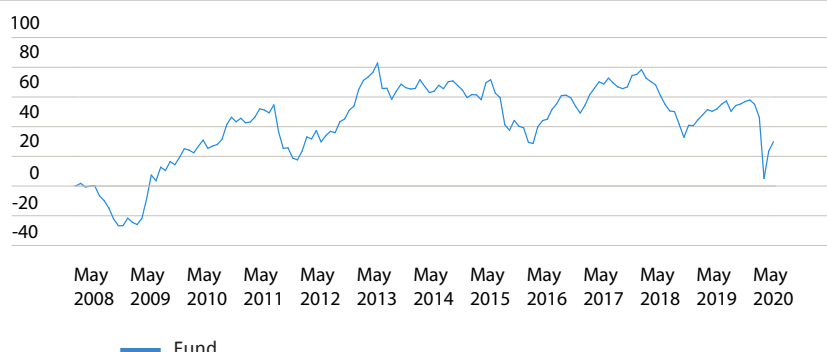
Investment Process

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

May saw a continuation of the themes we witnessed in April, namely the number of coronavirus cases continuing to rise, further easing of lockdown restrictions and smaller companies sustaining their outperformance of the broader market. During the month, the MSCI Asia ex-Japan Index fell by 0.3%, while the MSCI Asia ex-Japan Smaller Companies Index rose by 4.4%. Despite not being measured against a benchmark, it is notable that the fund bettered both indices in May, returning 5.1%. May's performance was aided in particular by a c.40% rise in one of our largest holdings, **Sea Ltd**. While the company's earnings were weaker than expected owing to one-off coronavirus effects, **Sea's** ASEAN focused ecommerce business saw its GMV grow at an accelerating rate of +74% year on year. Management also revealed that in April growth in the company's GMV accelerated to 140% year on year. The current climate is benefitting digitally lead businesses and **Sea Ltd** is a prime example of this.

Elsewhere, our Vietnam portfolio performed strongly in the month in absolute terms as the country continued to stand out for its excellent management of the crisis. Vietnam still has less than 350 cases and zero deaths and as a result has managed to re-open its economy faster and more fully than probably any other country globally. Our software and technology blue chip, **FPT**, leading shopping mall operator, **Vincom Retail**, and recently added number one beer brand, **SABECO**, were among the top contributors in the month. In terms of headwinds, consumer finance blue chip in India, **Bajaj Finance**, was the biggest detractor in May.

Following on from our additions of branded consumer goods companies in April, we added one more to the fund in May in the form **Vinamilk**, Vietnam's number one dairy brand. While growth at the company has slowed in recent years as penetration of dairy products in Vietnam has risen considerably, we believe the company's recent product innovation around organic, non-dairy and higher value add dairy products, plus management's intent to expand the milk for schools programme will help invigorate growth at the company. We are also impressed by the company's sustained improvements in terms of lower energy consumption and carbon footprint. We bought the shares on 19.1x P/E on an ex-cash basis, significantly below the company's peak multiple of 28x P/E.

All data as at 29.05.20. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asia Emerging Opportunities Fund



Top 5 Holdings (%)

FPT Corporation	8.2
Sea Ltd	7.2
Mobile World Investment Corporation	7.1
Philippine Seven Corporation	4.8
Ace Hardware Indonesia	4.4
Total Number of Holdings	37

Portfolio Financial Ratios

Price/Earnings Ratio	17.9x
Predicted Return on Equity (%)	16.6
Predicted Dividend Yield (%)	2.0

Risk Metrics

Tracking Error (% pa)	13.90
Beta	0.64
Alpha	0.25
Volatility (%)	16.34
Sharpe Ratio	0.22

Thematic Breakdown (%)

Modern Retail	27.1	<div></div>
Emerging Technology	26.8	<div></div>
Local Brands	21.5	<div></div>
Infrastructure	10.9	<div></div>
Financialisation	8.0	<div></div>
Leisure/Tourism	4.4	<div></div>
Cash	1.2	<div></div>

Geographical Breakdown (%)

Vietnam	30.2	<div></div>
India	27.8	<div></div>
Indonesia	15.2	<div></div>
Philippines	13.8	<div></div>
Singapore	7.2	<div></div>
Pakistan	4.5	<div></div>
Cash	1.2	<div></div>

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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	129.84
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	120.64
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	59.18
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	161.50
U GBP Unhedged Distributing	BBQ37T7	IE00BBQ37T77	88.18

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