

Prusik Asia Emerging Opportunities Fund

GROWTH INVESTING IN ASIA



30 September 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)	32.5m
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	0.01	-0.07	-0.05
3 Month	14.13	13.87	14.00
Year to Date	-0.74	-2.97	-1.58
2019	12.28	10.28	11.44
Since Launch	56.81	54.22	11.91
Annualised [†]	3.62	3.52	1.06

Source: Morningstar.

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

[†]Since Launch Performance

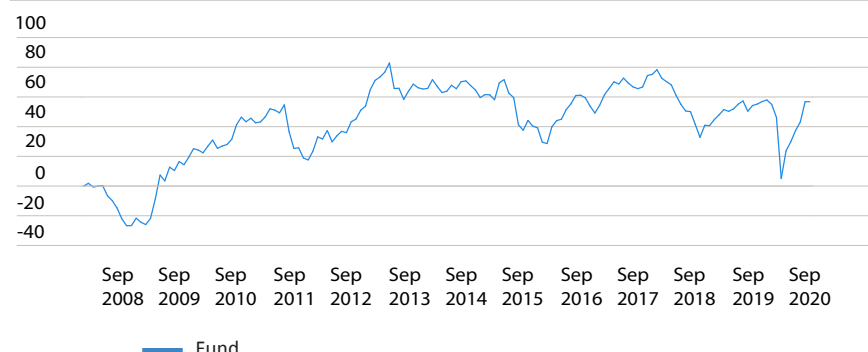
Investment Process

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 was flat in September. While the fund is not measured against a benchmark, to put this in context, this was 2.3% ahead of the declines witnessed in both the MSCI Asia ex-Japan Index and the MSCI Asia ex-Japan Smaller Companies Index. September also draws the third quarter of the year to a close for which the pattern of performance is similar. In 3Q20, the Prusik Asia Emerging Opportunities Fund rose by 14.1%, which represents 4.6% outperformance of the MSCI Asia ex-Japan Index return of 9.6% and 1.8% outperformance of the MSCI Asia ex-Japan Smaller Companies Index appreciation of 12.4%. Year to date, the absolute return for the fund stands at a modest 0.7% decline. While we aspire to achieve positive returns for the year, we would note that the reasonable relative return for the fund thus far stacks up well in light of the fund's significant exposure to small and mid-sized companies, which are typically higher risk, and active avoidance of China, which has delivered a double digit positive return in 2020.

Vietnam continued its strong absolute and relative performance in September. This may have been aided by the upcoming rebalancing in the MSCI Frontier Emerging Index which will see Kuwait come out of the index. With its current 28% weighting in the index, the removal of Kuwait creates ample opportunity for Vietnam's weighting to rise. In addition, it is worth highlighting that Vietnam is one of the very few countries globally – perhaps the only country! – to generate positive GDP growth to date in 2020. Staying with our Frontier exposures, the fund's Pakistan portfolio also delivered attractive returns in September, rising by 10.0%.

Globally, September witnessed a pause in the recovery of markets and, in particular, saw a correction in the technology giants, most pointedly the FAANGS and Tesla. In light of this, we wish to underline that the fund's largest technology weightings in **Sea Ltd** and **Reliance Industries** delivered positive returns in September. In fact, **Reliance Industries** was the third largest positive contributor to performance in the month, spurred by its acquisition of a key grocery retail competitor, Future Retail, and news of a stake sale in its overall retail platform. We believe this underscores the benefit of our differentiated approach to investing in technology, which focuses on structural growth opportunities in less mature markets such as South and South East Asia.

Finally, we continued our process of adding slightly to the fund's Leisure and Tourism theme in September with a small addition to **InterglobeAviation**, the leading low-cost airline in India. During the crisis, **InterglobeAviation's** market share has increased from 47% to 60% and its load factor has increased to 70%, which is very close to the breakeven threshold.

All data as at 30.09.20. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asia Emerging Opportunities Fund



Top 5 Holdings (%)

Sea Ltd - ADR	7.8
Mobile World Investment Corporation	7.3
FPT Corporation	7.1
Reliance Industries	6.4
Info Edge India Ltd	4.7
Total Number of Holdings	36

Portfolio Financial Ratios

Price/Earnings Ratio	22.0x
Predicted Return on Equity (%)	27.1
Predicted Dividend Yield (%)	1.9

Risk Metrics

Tracking Error (% pa)	13.88
Beta	0.65
Alpha	0.88
Volatility (%)	16.45
Sharpe Ratio	0.34

Thematic Breakdown (%)

Emerging Technology	29.4	<div></div>
Modern Retail	24.5	<div></div>
Local Brands	20.0	<div></div>
Infrastructure	10.7	<div></div>
Financialisation	7.3	<div></div>
Leisure/Tourism	6.1	<div></div>
Cash	1.9	<div></div>

Geographical Breakdown (%)

India	32.3	<div></div>
Vietnam	28.5	<div></div>
Indonesia	13.6	<div></div>
Philippines	12.8	<div></div>
Singapore	7.8	<div></div>
Pakistan	3.2	<div></div>
Cash	1.9	<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	156.81
B	USD	Unhedged Distributing	B2PKN32	IE00B2PKN327	144.91
C	GBP	Hedged Distributing	B2PKN43	IE00B2PKN434	70.78
D	SGD	Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	193.57
U	GBP	Unhedged Distributing	BBQ37T7	IE00BBQ37T77	101.53

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