

Prusik Asia Fund

GROWTH INVESTING IN ASIA



30 September 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)	157.3m
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	0.35	1.22
3 Month	1.40	4.72
Year to Date	16.02	5.52
2019	7.07	14.87
Since Launch	106.98	89.90
Annualised†	10.55	9.25

Source: Morningstar.

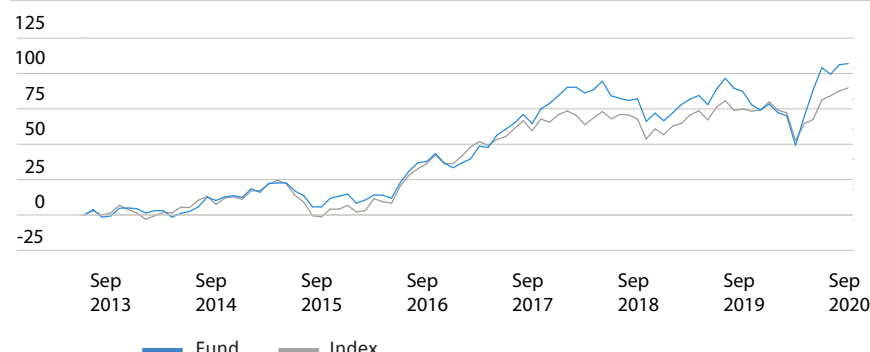
Launch Date: U: 01.07.13

†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

During September, in sterling terms, the MSCI AC Asia Pacific ex-Japan Index rose 1.22%, while the Prusik Asia Fund rose 0.35%, underperforming by 0.87%. China, Korea and Vietnam contributed the most to performance.

Vietnam, in particular, has continued to perform well since July, nearly eradicating the year's losses. This may have been aided by the forthcoming rebalancing of the MSCI Frontier Emerging Market Index, which will see Kuwait come out of the index. With its current 28% weighting, 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 still able to generate positive GDP growth to date in 2020.

The major drag to our performance in September came from a number of different quarters, all of which we believe are temporary. Firstly, we saw a very mixed performance from our gold mining stocks. We have highlighted in recent months the huge operational gearing these companies are now enjoying and continue to believe they are still very undervalued. Nonetheless, gold did correct during September, which we view as healthy, but which will have provided the catalyst for the correction.

Secondly, we saw quite a sharp correction in the EV battery makers, leading to sharp corrections in our companies such as **LG Chem** and E-bike parts maker, **Bafang Electric**. We have reduced our exposure to the Korean EV battery makers as they have enjoyed parabolic rises and are no longer cheap but, in turn, we have increased weightings to the more undervalued EV related companies in the portfolio, such as **Wuxi Lead** (machinery provider to EV battery makers) and added **Minth**, which makes casings for EV batteries and is seeing strong demand. **Minth** was, in fact, one of our top performers this month.

Finally, we saw negative contributions from a number of our internet companies including **JD.com** and **Naver**. We remain committed to this theme and indeed, at the time of writing, there is a sign this sector is rebounding strongly and we have used the weakness to add to **Reliance** and **JD.com**.

It is our belief that Asia will continue to show steady recovery post virus, with China showing the way. In the West the recovery looks more shaky, requiring more stimulus and support and leading into question the longer-term sustainability of the recovery. This should bode well for the final quarter and suggests that growth stocks in Asia are likely to continue to lead until inflation asserts itself.

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

Prusik Asia Fund



Top 5 Holdings (%)

Alibaba Group Holding Ltd	7.0
Ping An Insurance Group Co	5.0
Samsung Electronics Co Ltd	4.3
Naver Corporation	3.4
Poya International Co Ltd	3.1

Total Number of Holdings	37
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Portfolio Financial Ratios

Price/Earnings Ratio	15.7x
Predicted Return on Equity (%)	17.4
Predicted Dividend Yield (%)	2.3

Risk Metrics

Tracking Error (% pa)	7.91
Beta	0.90
Alpha	1.09
Volatility (%)	18.18
Sharpe Ratio	0.57

Thematic Breakdown (%)

Ecommerce/Gaming/Entertainment	16.5	<div></div>
Tech Hardware/IOT/5G	14.1	<div></div>
Smart Infrastructure/Property	14.0	<div></div>
Gold/Resources/Portfolio Insurance	11.3	<div></div>
Cash	9.4	<div></div>
Local Brands	9.0	<div></div>
Wellbeing	8.5	<div></div>
Financialisation	7.9	<div></div>
Value Recovery	4.2	<div></div>
Working from home	2.8	<div></div>
EV/Battery	2.3	<div></div>

Geographical Breakdown (%)

China	45.6	<div></div>
Korea	12.1	<div></div>
Cash	9.4	<div></div>
Australia	9.2	<div></div>
Vietnam	7.8	<div></div>
India	6.7	<div></div>
Taiwan	5.1	<div></div>
Hong Kong	4.0	<div></div>

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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	288.75
B USD Unhedged Distributing	B0M9LL2	IE00B0M9LL22	288.93
C GBP Hedged Distributing	B18RM25	IE00B18RM256	148.00
D SGD Hedged Distributing	B3LYLK8	IE00B3LYLK86	388.99

Performance fee based on individual investor's holding.

U GBP Unhedged Distributing	BBQ37S6	IE00BBQ37S60	206.98
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Performance fee based on fund performance as a whole.

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