

# Prusik Asia Emerging Opportunities Fund



GROWTH INVESTING IN ASIA

30 October 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)	32.9m
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	1.15	1.12	1.13
3 Month	10.76	10.58	10.63
Year to Date	0.41	-1.88	-0.47
2019	12.28	10.28	11.44
Since Launch	58.62	55.94	13.17
Annualised <sup>†</sup>	3.69	3.59	1.15

Source: Morningstar.

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

<sup>†</sup>Since Launch Performance

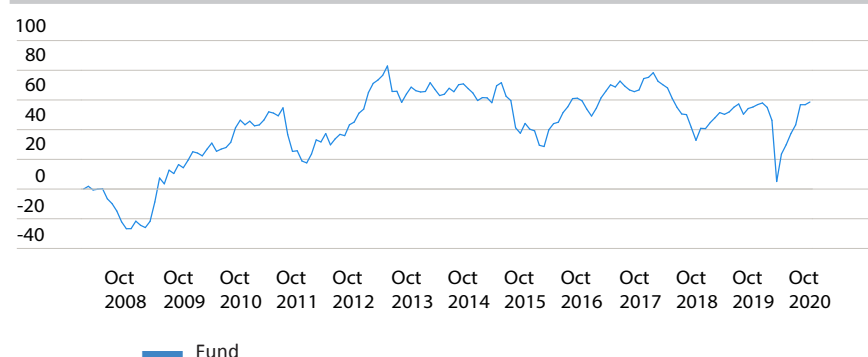
### Investment Process

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 returned of 1.2% in October. While the fund is not measured against a benchmark, to put this in context, this was 1.3% behind the MSCI Asia ex-Japan Index return of 2.4% but 1.0% ahead of the MSCI Asia ex-Japan Smaller Companies Index which rose by just 15bps in the month. October marked the first time that the fund has achieved a positive absolute return as of the month end in 2020. We are very much aspiring to a robust positive return for the fund by the year end. Indeed, at the time of writing, positive developments regarding the US election and Pfizer's vaccine data is creating a clear tailwind for the fund.

During the month, COVID-related restrictions were eased in Indonesia and the Philippines and markets reacted strongly. While our Indonesia portfolio capitalised on this shift well, rising by 12.8%, this was not true of our exposures in the Philippines, which saw a modest decline in October. The key driver of these different absolute and relative performances is the degree of cyclical within each country portfolio. For instance, in Indonesia our investments include advertising-driven OTT companies and residential property, which are more cyclical. In contrast, in the Philippines, our holdings are dominated by branded consumer and retail businesses, which are less cyclical. Importantly, this positioning is not due to a particular view on the cycle. Rather, in Indonesia we believe our cyclical holdings represent very good quality businesses with attractive structural growth drivers and we are yet to see sufficiently convincing local brands emerge in the country. In the Philippines, the reverse is true. There are a number of strong consumer franchises available to investors in the Philippines, while we believe the quality and sustainable growth prospects of banks and property in this market are more questionable. Overall, we would expect the October rally in the Philippines in index-heavy property, banks and conglomerates to broaden out in due course.

All of that said, October's developments did prompt us to evaluate if there might be overlooked opportunities in the Philippines. One company we have long admired but for which we have historically found the valuation too rich is **SM Prime Holdings**, the number one mall operator in the country which also owns interesting land assets, including rights to a 360 hectare reclamation project in the Manila Bay area. Over the past 5 years the stock has averaged nearly 30x P/E but this year's events meant that even recently it was possible to buy the stock on 25x normalised earnings. We initiated a 2.0% position in October and at the time of writing the stock has returned 12.6%, spurred by the positive vaccine news from Pfizer.

All data as at 30.10.20. Source: Prusik Investment Management LLP, unless otherwise stated.

# Prusik Asia Emerging Opportunities Fund



## Top 5 Holdings (%)

Sea Ltd - ADR	7.7
FPT Corporation	7.2
Mobile World Investment Corporation	7.2
Reliance Industries	4.1
Info Edge India Ltd	4.0
Total Number of Holdings	38

## Portfolio Financial Ratios

Price/Earnings Ratio	21.6x
Predicted Return on Equity (%)	29.6
Predicted Dividend Yield (%)	1.8

## Risk Metrics

Tracking Error (% pa)	13.84
Beta	0.65
Alpha	0.84
Volatility (%)	16.42
Sharpe Ratio	0.35

## Thematic Breakdown (%)

Emerging Technology	28.6	<div></div>
Modern Retail	25.7	<div></div>
Local Brands	19.6	<div></div>
Infrastructure	12.4	<div></div>
Financialisation	6.7	<div></div>
Leisure/Tourism	5.8	<div></div>
Cash	1.2	<div></div>

## Geographical Breakdown (%)

India	30.3	<div></div>
Vietnam	27.7	<div></div>
Indonesia	15.7	<div></div>
Philippines	14.3	<div></div>
Singapore	7.7	<div></div>
Pakistan	3.2	<div></div>
Cash	1.2	<div></div>

All data as at 30.10.20. 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	158.62
B USD Unhedged Distributing	B2PKN32	IE00B2PKN327	146.58
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	71.57
D SGD Hedged Distributing	B3M3HJ5	IE00B3M3HJ55	195.75
U GBP Unhedged Distributing	BBQ37T7	IE00BBQ37T77	101.56

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.