

# Prusik Asia Emerging Opportunities Fund

GROWTH INVESTING IN ASIA



29 January 2021

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)	37.8m
Launch date	8 February 2008
Fund Manager	Anna Gallagher
Fund Structure	UCITS III
Domicile	Dublin
Currencies	USD (base), GBP

## Performance (%)

	A USD	C GBP	U GBP (unhedged)
1 Month	-1.51	-1.51	-1.65
3 Month	17.95	17.79	11.79
Year to Date	-1.51	-1.51	-1.65
2020	20.25	17.34	15.88
Since Launch	87.10	83.68	26.07
Annualised <sup>†</sup>	4.94	4.84	3.10

Source: Morningstar.

Launch Date: A: 08.02.08, C: 25.04.08, U: 01.07.13

<sup>†</sup>Since Launch Performance

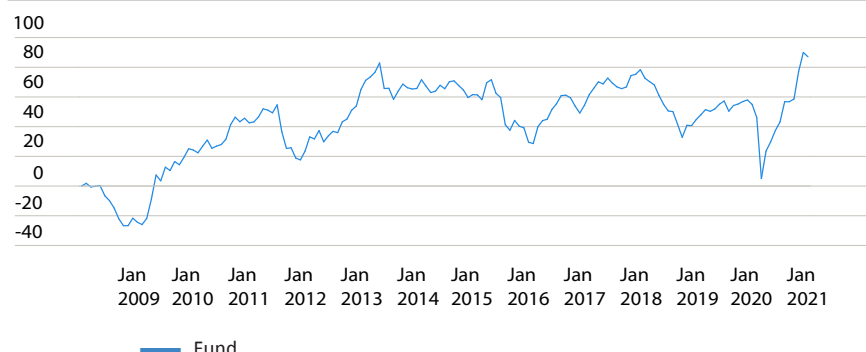
## Investment Process

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

Asian markets had a volatile start to the year with the market exuberance which we had witnessed in the preceding months continuing for the majority of January before tempering somewhat into the month end. In this context, the Prusik Asia Emerging Opportunities Fund returned -1.5% in January but as of 21<sup>st</sup> January had in fact been up 5.1%. While the fund is not measured against a benchmark, to put this in context the MSCI AC Asia Pacific Ex Japan Gross Return Index (USD) rose 3.5% in January, while the MSCI AC Asia Pacific Ex Japan Small Cap Index (USD) was broadly flat with just a 0.3% increase.

Positive returns in the month were seen in Vietnam, Pakistan and from ASEAN focused ecommerce and mobile gaming leader, **Sea Ltd.** The performance in Vietnam was pleasing given that the local market corrected sharply in the final days of the month on news that a new outbreak of coronavirus comprising several hundred cases was found. The majority of our Vietnam portfolio bucked this trend, in particular electronics and grocery retailer, **Mobile World**, and software outsourcing company, **FPT**. **Mobile World** was buoyed by news that its new grocery operations gained 200bps of market share in 2020 and towards the end of the year saw a 500bps improvement in gross profit margin as the business scale improves. **FPT** was supported by 4Q20 results which saw earnings rise by 30% year on year.

We begin the year with many questioning whether or not Asian markets are in bubble territory. While a full discussion of this topic is beyond the remit of our monthly report, we wish to highlight that close to half the portfolio is invested in markets and stocks where there is little evidence of that being the case. To be specific, our Vietnam portfolio is on 12.6x P/E, our Pakistan portfolio is on 4.8x P/E and our Indonesia portfolio trades on 16.4x P/E, all of which are either in-line with or a meaningful discount to the local index. Combined these investments account for 45.6% of the fund.

All data as at 29.01.21. Source: Prusik Investment Management LLP, unless otherwise stated.

# Prusik Asia Emerging Opportunities Fund



## Top 5 Holdings (%)

Sea Ltd	8.7
Mobile World Investment Corporation	7.9
FPT Corporation	7.6
Info Edge India Ltd	3.8
Reliance Industries Ltd	3.3
Total Number of Holdings	38

## Portfolio Financial Ratios

Price/Earnings Ratio	21.6x
Predicted Return on Equity (%)	22.0
Predicted Dividend Yield (%)	1.6

## Risk Metrics

Tracking Error (% pa)	13.79
Beta	0.66
Alpha	1.14
Volatility (%)	16.46
Sharpe Ratio	0.46

## Thematic Breakdown (%)

Emerging Technology	30.0	
Modern Retail	24.5	
Local Brands	20.7	
Infrastructure	11.2	
Financialisation	6.5	
Leisure/Tourism	5.8	
Cash	1.2	

## Geographical Breakdown (%)

India	33.2	
Vietnam	27.0	
Indonesia	16.1	
Philippines	11.3	
Singapore	8.7	
Pakistan	2.5	
Cash	1.2	

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## Management Fees

### Annual Management Fee

Class A, C, 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	187.10
C GBP Hedged Distributing	B2PKN43	IE00B2PKN434	83.91
U GBP Unhedged Distributing	BBQ37T7	IE00BBQ37T77	113.01

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