

Prusik Asia Fund

GROWTH INVESTING IN ASIA



31 March 2021

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)	185.1m
Launch Date	7 October 2005
Fund Manager	Anna Gallagher
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	-3.20	-0.77
3 Month	-1.89	1.82
Year to Date	-1.89	1.82
2020	32.94	18.96
Since Launch	132.68	118.00
Annualised†	11.52	10.58

Source: Morningstar.

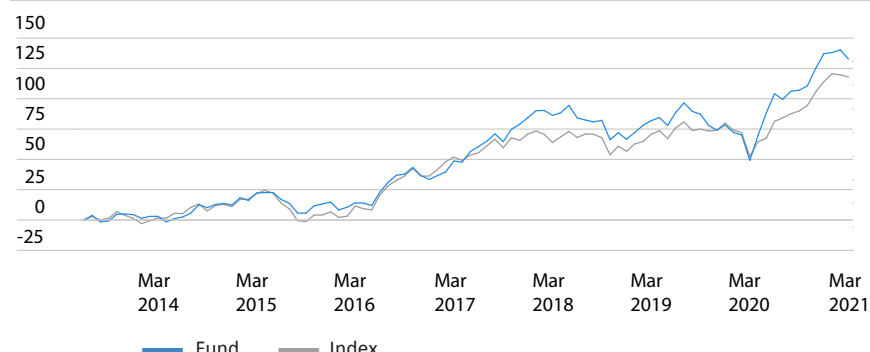
Launch Date: U: 01.07.13

†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

Asian markets were slightly weak in March as bond yields increased further, China continued to favour a 'normalisation' of liquidity and indicated below expectations GDP growth of >6% in 2021, and COVID-19 cases in India jumped. In tandem with these developments, the market rebalancing between growth and value investments continued with technology stocks, in particular, witnessing a correction globally. As such, it is perhaps unsurprising that the Prusik Asia Fund declined 3.2% in March versus a 0.7% decline in the MSCI AC Asia Pacific Ex Japan Gross Return Index. However, while value stocks have been in vogue recently, it is worth highlighting that the impetus for this rotation is lessening. According to sell-side brokerage, Jefferies, a further 10% outperformance of value will bring value back in-line with long term trends, in which case the relative attractiveness of value versus growth stocks would likely be diminished.

During the month, volatility in China was particularly high with a few of our holdings witnessing 20-30% corrections in early March before staging a robust recovery into the month end. We took advantage of this volatility to add a new position in **Li Ning**, the second largest domestic sportswear brand in China. Recently, **Li Ning** has demonstrated impressive marketing and branding capabilities with its pioneering development of the "Chinese street" trend and as a result has been gaining market share. Following our purchase, a number of Western clothing brands, including H&M, announced that they would no longer be sourcing cotton from Xinjiang, the north-western province where there have been accusations of human rights violations against the Uighur minority group. This sparked an online backlash from Chinese netizens with millions vowing to boycott the Western brands and favour local brands such as **Li Ning**. At the time of writing, the stock has returned 21.6% since purchase.

Signatory of:



All data as at 31.03.21. Source: Prusik Investment Management LLP, unless otherwise stated.

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Prusik Asia Fund



Top 5 Holdings (%)

Samsung Electronics Co Ltd	5.0
Taiwan Semiconductor Manufacturing Co Ltd	4.8
SK Hynix Inc	4.2
POSCO	4.1
China Longyuan Power Group Corp Ltd	3.8
Total Number of Holdings	36

Portfolio Financial Ratios

Price/Earnings Ratio	17.1x
Predicted Return on Equity (%)	18.7
Predicted Dividend Yield (%)	2.0

Risk Metrics

Tracking Error (% pa)	7.85
Beta	0.92
Alpha	0.95
Volatility (%)	18.41
Sharpe Ratio	0.70

Thematic Breakdown (%)

Local Brands	22.0	<div></div>
Ecommerce/Gaming	17.4	<div></div>
Tech Hardware/5G	16.2	<div></div>
Finance/Fintech	13.0	<div></div>
Materials/Commodities	11.9	<div></div>
Green Policies	8.5	<div></div>
EVs	3.4	<div></div>
Cash	3.3	<div></div>
Wellbeing	2.2	<div></div>
Malls/Property/Cyclical Consumer Recovery	2.1	<div></div>

Geographical Breakdown (%)

China	33.4	<div></div>
India	16.5	<div></div>
Korea	15.5	<div></div>
Taiwan	9.0	<div></div>
Vietnam	8.2	<div></div>
Australia	5.8	<div></div>
Cash	3.3	<div></div>
Singapore	3.2	<div></div>
Indonesia	3.0	<div></div>
Hong Kong	2.1	<div></div>

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Management Fees

Annual Management Fee

All Share Classes: 1% 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 annually

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	341.60
B USD Unhedged Distributing	B0M9LL2	IE00B0M9LL22	341.81
C GBP Hedged Distributing	B18RM25	IE00B18RM256	174.30
D SGD Hedged Distributing	B3LYLK8	IE00B3LYLK86	458.96

Performance fee based on individual investor's holding.

U GBP Unhedged Distributing	BBQ37S6	IE00BBQ37S60	232.68
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Performance fee based on fund performance as a whole.

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