

# Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

29 March 2019

## Monthly Fund Fact Sheet

### Investment Objective

To select a portfolio of equity investments in the Asia Pacific ex-Japan region with above average dividend yields and which have the ability to grow their dividends over time. The fund aims to outperform the MSCI Asia Pacific ex-Japan index by 5-10% annually whilst growing its dividend over time.

### Fund Facts

Fund Size (USD)	930.4m
Launch Date	31 December 2010
Fund Manager	Tom Naughton
Fund Structure	UCITS III
Domicile	Dublin
Currencies	USD (base), GBP, SGD
Index	MSCI Asia Pacific ex Japan Index

### Performance - Class B USD (%)

	Fund	Index
1 Month	3.47	1.55
3 Month	11.59	11.48
Year to Date	11.59	11.48
Since Launch	183.14	42.56
Annualised <sup>†</sup>	13.45	4.39

Source: Morningstar.

Launch Date: B: 31.12.10

<sup>†</sup>Since Launch Performance

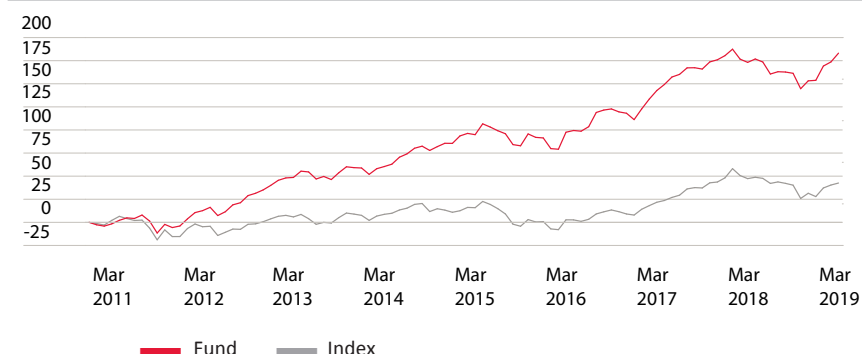
### Investment Process

The process is both quantitative and qualitative with the latter dominating. The universe is screened for those high dividend stocks which have the greatest ability to sustain and grow their dividends over time. A particular emphasis is placed on identifying those companies with exceptional franchises, annuity like cash flows and pricing power which are trading at significant discounts to intrinsic value.

### Dividend Dates

Dividends paid twice annually (January and July)

### Fund Performance - Class B USD (%)



Source: Morningstar. Total return net income reinvested.

### Fund Manager Commentary

This month we exited our position in Chinese Baijiu producer **Wuliangye Yibin**, a company that we had bought just two months previously. During this time, it re-rated from a relatively inexpensive 12x earnings to a less desirable 21x earnings and as a result, the risk/reward profile is no longer attractive in our opinion. The fact that a company with a market capitalisation of US\$55bn can be so volatile could be viewed as a negative but we have the opposite view. It is precisely because Emerging Markets investors are so fickle that it gives us the opportunity to generate alpha.

In January, investors were very gloomy and willing to sell stocks with exposure to China at very low prices regardless of their quality and long-term growth potential. In March, investors are much more optimistic and are willing to pay very high prices for the same stocks even though there has been little, if any, change in fundamentals over that period.

All data as at 29.03.19. Source: Prusik Investment Management LLP, unless otherwise stated.

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## Top 5 Holdings (%)

CK Hutchison Holdings Ltd	6.2
Zhejiang Expressway	6.2
Samsung Electronics Co Ltd - Pref	5.5
Swire Pacific Ltd	5.3
Power Grid Corporation of India	5.2
Total Number of Holdings	31

## Portfolio Financial Ratios

Predicted Price/Earnings Ratio	11.0x
Predicted Dividend Yield (%)	5.2

## Risk Metrics

Tracking Error (% pa)	9.28
Beta	0.77
Alpha	9.34
Volatility (%)	13.51
Sharpe Ratio	1.37

## Thematic Breakdown (%)

Real Estate	18.0	
Transport Infrastructure	15.5	
Communications Infrastructure	15.0	
Financials	12.4	
Power Utilities	11.9	
Cash	6.6	
Cheung Kong / Hutchison	6.2	
Consumer	5.9	
Technology	5.5	
Resources	3.2	

## Geographical Breakdown (%)

Hong Kong	30.9	
India	13.5	
China	13.3	
Australia	8.2	
Korea	7.2	
Cash	6.6	
Indonesia	5.9	
Macau	4.6	
Singapore	4.0	
Thailand	3.0	
Philippines	3.0	

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## Management Fees

### Annual Management Fee

1.0% p.a. Paid monthly in arrears

### Performance Fee

Class 1: None

Class 2 and Class U: 10% of the net out-performance of the MSCI Asia Pacific ex-Japan Index, with a high-water mark paid quarterly.

### Temporary Front End Charge:

3% introduced on 2nd December 2013 paid to the benefit of the fund.

## Dealing

Dealing Line	+353 1 603 6490
Administrator	Brown Brothers Harriman (Dublin)
Dealing Frequency	Daily
Valuation Point	11am UK time
Dealing Cut-off	5pm UK time
Min. Initial Subscription	USD 10,000
Min. Subsequent Subscription	USD 5,000

## Share Class Details

Class 1			Sedol	ISIN	Month-end NAV	
A	USD	Unhedged	Non distributing	B4MK5Q6	IE00B4MK5Q67	291.26
B	USD	Unhedged	Distributing	B4QVD94	IE00B4QVD949	204.14
C	GBP	Hedged	Distributing	B4Q6DB1	IE00B4Q6DB12	196.97
D	SGD	Hedged	Distributing	B4NFJT1	IE00B4NFJT16	193.90

Class 1 shares were closed to further investment on 30th November 2012.

Class 2				Sedol	ISIN	Month-end NAV
X	USD	Unhedged	Distributing	B4PYCL9	IE00B4PYCL99	182.37
Y	GBP	Hedged	Distributing	B4TRL17	IE00B4TRL175	176.56
Z	SGD	Hedged	Distributing	B6WDYZ1	IE00B6WDYZ18	179.90

Class 2 shares were soft closed to new investors as of 30th November 2012. Performance fee based on individual investor's holding.

Class U			Sedol	ISIN	Month-end NAV
U	GBP	Unhedged Distributing	BBP6LK6	IE00BBP6LK66	175.50

Class U shares are open to current investors only. Performance fee based on fund performance as a whole.

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