

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

30 April 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)	918.8m
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	-0.99	1.78
3 Month	4.15	5.76
Year to Date	10.49	13.47
Since Launch	180.33	45.10
Annualised [†]	13.18	4.57

Source: Morningstar.

Launch Date: B: 31.12.10

[†]Since Launch Performance

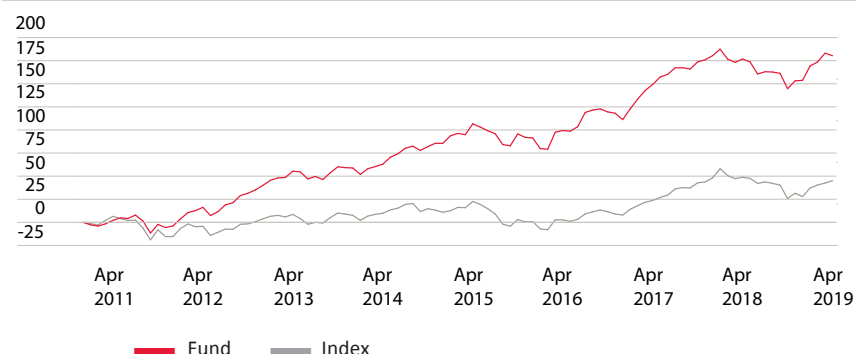
Investment Process

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

The cash level in the fund has continued to climb as we reduce positions that no longer offer a sufficiently attractive risk/reward potential. We exited **CNOOC** this month as the mis-pricing of the stock versus long term oil prices has disappeared and as a result, we no longer have any exposure to the resources sector. In addition, we have reduced toll road operators **Transurban Group** and **Macquarie Korea Infrastructure Fund**. Both stocks have performed strongly as lower bond yields have, once again, renewed the market's appetite for high quality, long duration assets and therefore the equity-risk premium available has been substantially reduced.

Although the fund has generated positive returns this year, the valuation gap between the fund and the market has remained stubbornly high. For reference, the forward P/E ratio of the fund is 10.9x compared to a market P/E of 13.7x. However, the 10-year average P/E for both the current portfolio and the market is 12.5x meaning that there is close to a 20% relative valuation gap between the two. Although there is no guarantee that this historical relationship will be maintained and that valuations will revert to the mean, the gap suggests a healthy margin of safety for the portfolio.

All data as at 30.04.19. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Equity Income Fund



Top 5 Holdings (%)

CK Hutchison Holdings Ltd	6.3
Zhejiang Expressway	5.8
Samsung Electronics Co Ltd - Pref	5.5
Swire Pacific Ltd	5.3
Power Grid Corporation of India	4.9
Total Number of Holdings	30

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	10.9x
Predicted Dividend Yield (%)	5.3

Risk Metrics

Tracking Error (% pa)	9.27
Beta	0.77
Alpha	8.97
Volatility (%)	13.47
Sharpe Ratio	1.34

Thematic Breakdown (%)

Real Estate	17.7	
Communications Infrastructure	15.1	
Transport Infrastructure	13.9	
Financials	12.8	
Power Utilities	11.5	
Cash	10.3	
Consumer	6.9	
Cheung Kong / Hutchison	6.3	
Technology	5.5	

Geographical Breakdown (%)

Hong Kong	31.2	
India	13.4	
Cash	10.3	
China	9.8	
Australia	7.5	
Korea	6.6	
Indonesia	5.9	
Macau	5.6	
Singapore	4.0	
Thailand	3.0	
Philippines	2.9	

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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	288.37
B USD Unhedged Distributing	B4QVD94	IE00B4QVD949	202.12
C GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	194.75
D SGD Hedged Distributing	B4NFJT1	IE00B4NFJT16	191.78

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	180.56
Y GBP Hedged Distributing	B4TRL17	IE00B4TRL175	174.42
Z SGD Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	177.93

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	175.15

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

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