

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

28 February 2018

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)	1,004.4m
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	-3.76	-4.71
3 Month	0.25	4.87
Year to Date	-1.34	1.69
Since Launch	176.66	50.65
Annualised [†]	15.27	5.89

Source: Morningstar.

Launch Date: B: 31.12.10

[†]Since Launch Performance

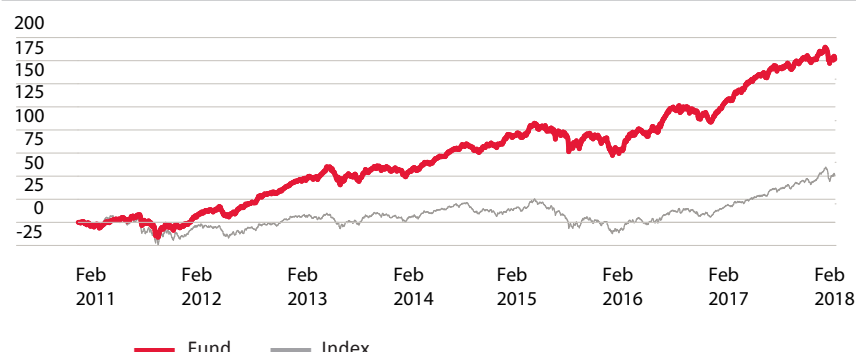
Investment Process

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

We took advantage of the volatility in February to reduce the cash position as the dislocation in markets created a number of attractive buying opportunities. As well as adding to existing positions, we added two new companies to the portfolio this month – **Singapore Exchange** and **Metro Pacific**.

Singapore Exchange is a very attractive business operating both securities and derivatives exchanges. Growth, over recent years, has been sluggish as lower volumes have held back the securities business even though the derivatives business has grown strongly. Going forward, we expect overall growth to pick up as derivatives now account for 40% of revenues (up from 20% in 2010). As well as having very strong barriers to entry, excellent cash flow generation and limited capital requirements, the business has high optionality as they launch new contracts in areas including FX futures and Indian single stock futures.

Metro Pacific is an infrastructure owner in the Philippines with exposure to the water, power and toll road business. Due to a dispute with the government over toll rate increases, the stock price has been very weak which has allowed us to buy shares at a discount of more than 40% to our appraisal of its intrinsic valuation.

All data as at 28.02.18. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Equity Income Fund



Top 5 Holdings (%)

CK Hutchison Holdings Ltd	6.3
Samsung Electronics Co Ltd	5.6
Beijing Capital International Airport	5.4
Zhejiang Expressway	5.2
Power Grid Corporation of India	4.9
Total Number of Holdings	35

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	12.3x
Predicted Return on Equity (%)	13.9
Predicted Dividend Yield (%)	5.0

Risk Metrics

Tracking Error (% pa)	9.43
Beta	0.77
Alpha	9.90
Volatility (%)	13.49
Sharpe ratio	1.57

Thematic Breakdown (%)

Transport Infrastructure	25.6	
Communications Infrastructure	15.8	
Power Utilities	14.7	
Financials	10.1	
Real Estate	8.0	
Consumer	7.3	
Cash	6.5	
Cheung Kong / Hutchison	6.3	
Technology	5.6	

Geographical Breakdown (%)

Hong Kong	24.6	
China	15.5	
Korea	11.0	
India	10.1	
Thailand	9.1	
New Zealand	7.3	
Cash	6.5	
Australia	6.2	
Indonesia	4.1	
Singapore	2.3	
Pakistan	1.6	
Philippines	1.2	
Cambodia	0.6	

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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	284.60
B USD Unhedged Distributing	B4QVD94	IE00B4QVD949	208.36
C GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	205.91
D SGD Hedged Distributing	B4NFJT1	IE00B4NFJT16	200.19

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	186.14
Y GBP Hedged Distributing	B4TRL17	IE00B4TRL175	184.71
Z SGD Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	185.82

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	169.02

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

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