

# Prusik Asian Equity Income Fund



PRUSIK

LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

30 March 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)	994.2m
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	-1.26	-2.21
3 Month	-2.59	-0.56
Year to Date	-2.59	-0.56
Since Launch	173.16	47.32
Annualised <sup>†</sup>	14.87	5.49

Source: Morningstar.

Launch Date: B: 31.12.10

<sup>†</sup>Since Launch Performance

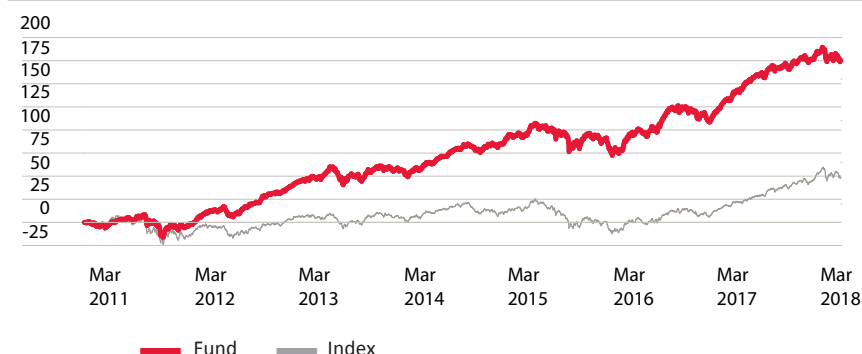
### Investment Process

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

The cash level continued to fall this month as we added to positions including **IRB Invit** (an Indian toll road operator yielding 15%) and **SCentre Group** (a.k.a Westfield Australia – yielding 5.9%). In addition, we took part in the IPO of **China Xinhua Education** which operates a private university in the Anhui province. The company benefits from the growing demand for skilled workers in China and offers courses in subjects such as computer coding, accountancy, design and engineering which allow students to move into high earning careers when they graduate. The company has no debt, an ROE of 20% and trades on a 6% free cash flow yield.

Although we are bullish on the growth potential in Asia, we continue to have a very low exposure to cyclicals\* in the region (they account for only 13% of our fund compared to 62% for the index) as we prefer to focus on companies that can sustain and grow dividends throughout the economic cycle rather than try and bet on how long the current economic upturn will last. By focusing on capital preservation and absolute returns, we believe that we will outperform the market (over the cycle). However, on a day to day basis, we pay absolutely no attention to the index and would be perfectly happy to have a zero weighting in cyclicals if that provided the best risk/reward proposition.

(\*) Cyclicals meaning Banks, Technology, Materials, Energy and Real Estate Developers

All data as at 30.03.18. Source: Prusik Investment Management LLP, unless otherwise stated.

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## Top 5 Holdings (%)

CK Hutchison Holdings Ltd	6.0
Samsung Electronics Co Ltd	5.8
Beijing Capital International Airport	4.9
Zhejiang Expressway	4.8
AIA Group Ltd	4.7

Total Number of Holdings	35
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## Portfolio Financial Ratios

Predicted Price/Earnings Ratio	12.3x
Predicted Return on Equity (%)	14.2
Predicted Dividend Yield (%)	5.0

## Risk Metrics

Tracking Error (% pa)	9.42
Beta	0.77
Alpha	9.84
Volatility (%)	13.46
Sharpe ratio	1.53

## Thematic Breakdown (%)

Transport Infrastructure	26.6	
Power Utilities	15.6	
Communications Infrastructure	15.5	
Financials	10.7	
Real Estate	7.9	
Consumer	7.8	
Cheung Kong / Hutchison	6.0	
Technology	5.8	
Cash	4.1	

## Geographical Breakdown (%)

Hong Kong	24.2	
China	15.7	
Korea	11.4	
India	10.3	
Thailand	8.8	
Australia	7.8	
New Zealand	7.2	
Indonesia	4.1	
Cash	4.1	
Singapore	2.6	
Philippines	2.4	
Pakistan	1.7	

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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	281.00
B	USD Unhedged Distributing	B4QVD94	IE00B4QVD949	205.73
C	GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	202.91
D	SGD Hedged Distributing	B4NFJT1	IE00B4NFJT16	197.51

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	183.79
Y	GBP Hedged Distributing	B4TRL17	IE00B4TRL175	182.02
Z	SGD Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	183.35

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	164.64

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

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