

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 May 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)	982.6m
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	-1.18	-0.81
3 Month	-1.12	-2.03
Year to Date	-2.44	-0.37
Since Launch	173.57	47.59
Annualised [†]	14.54	5.39

Source: Morningstar.

Launch Date: B: 31.12.10

[†]Since Launch Performance

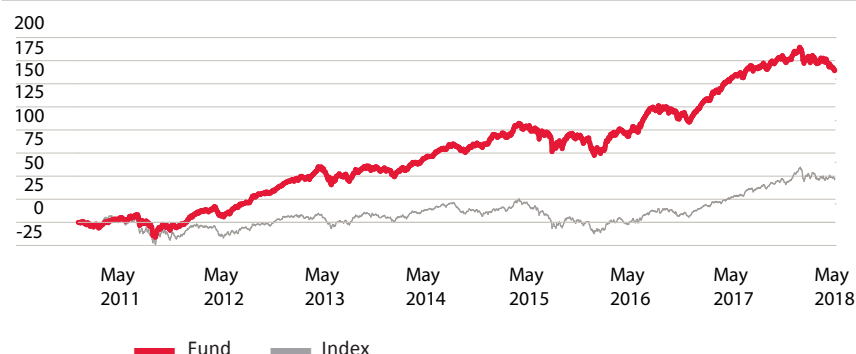
Investment Process

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

This month we added Indonesian broadband operator, **Link Net**, to the portfolio which trades at a valuation of 11x P/E and a 4.5% dividend yield. **Link** supplies broadband and cable TV services to urban areas of Java. At the current time, they have "passed" 2 million homes and contracted 560,000 customers and therefore significant upside comes from increasing that conversion rate. The bulk of the capex is incurred when "passing" a home (regardless of whether the home signs up) and so the incremental return on adding new customers is more than 100%. Broadband penetration is only 8% in Indonesia compared to 43% across the whole of Asia and so the upside potential is substantial.

The current P/E of PAEIF is 11.5x which is a 12% discount to the index. This is the largest discount that the fund has ever traded at and compares with an average 1% discount over the life of the fund. We believe this discount is excessive, although it is possible that it will not close in the near-term whilst the market continues to be driven by more cyclical and higher risk sectors.

All data as at 31.05.18. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Equity Income Fund



Top 5 Holdings (%)

CK Hutchison Holdings Ltd	5.7
Samsung Electronics Co Ltd - Pref	5.7
Beijing Capital International Airport	5.4
Power Grid Corporation of India	5.1
Zhejiang Expressway	4.8
Total Number of Holdings	34

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	11.5x
Predicted Return on Equity (%)	14.6
Predicted Dividend Yield (%)	5.1

Risk Metrics

Tracking Error (% pa)	9.39
Beta	0.77
Alpha	9.61
Volatility (%)	13.40
Sharpe ratio	1.50

Thematic Breakdown (%)

Transport Infrastructure	27.4	
Communications Infrastructure	17.8	
Power Utilities	15.7	
Financials	10.8	
Real Estate	7.1	
Consumer	6.4	
Cheung Kong / Hutchison	5.7	
Technology	5.7	
Cash	3.5	

Geographical Breakdown (%)

Hong Kong	24.6	
China	16.6	
India	10.9	
Korea	10.6	
Thailand	9.0	
Australia	8.4	
New Zealand	6.4	
Indonesia	4.3	
Cash	3.5	
Singapore	2.2	
Philippines	2.2	
Pakistan	1.4	

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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	281.42
B USD Unhedged Distributing	B4QVD94	IE00B4QVD949	206.04
C GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	202.57
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	184.06
Y GBP Hedged Distributing	B4TRL17	IE00B4TRL175	181.71
Z SGD Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	183.29

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	173.86

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

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