

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

30 April 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)	1,001.2m
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	1.34	1.00
3 Month	-3.70	-5.88
Year to Date	-1.28	0.44
Since Launch	176.83	48.80
Annualised [†]	14.90	5.57

Source: Morningstar.

Launch Date: B: 31.12.10

[†]Since Launch Performance

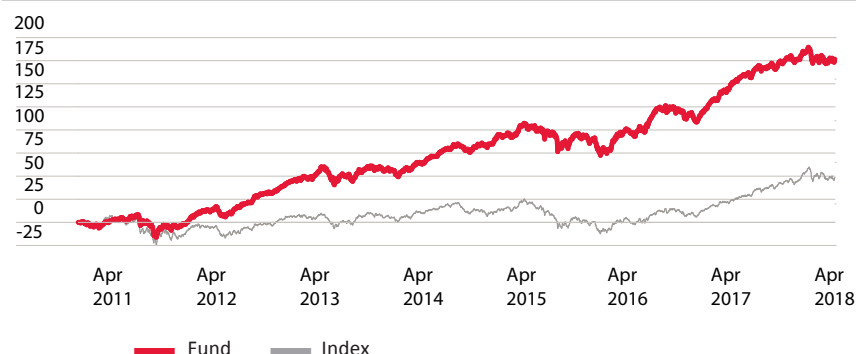
Investment Process

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

This month we exited two positions – **CPN Retail Fund** and **Asia Pay Television**.

CPN Retail Fund is a position we have owned since the launch of the fund and it has generated an annualised USD return of 16% over that period. It is the “Westfield” of Thailand, owning several key shopping centres which have benefited from the growing middle-class of the country. However, because the low government bond yields in Thailand have pushed up valuations of “safe” assets, the valuation is no longer attractive.

In the case of **Asia Pay Television**, we are concerned about the rising debt levels at the trust and lack of revenue growth in the core business. Although the dividend yield is optically high, we believe the risk/return profile is not attractive enough to maintain the position.

The fund is currently on a lower P/E ratio than the market (12.4x compared to 13.0x), has a higher dividend yield (4.9% compared to 3%) and higher forecast dividend growth (10% compared to 7% for 2018-2019). Although the current, cyclically driven, market does not suit our investment style we remain confident about our ability to generate attractive absolute and relative returns over the long term.

All data as at 30.04.18. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Equity Income Fund



Top 5 Holdings (%)

CK Hutchison Holdings Ltd	5.9
Samsung Electronics Co Ltd - Pref	5.9
Power Grid Corporation of India	5.0
AIA Group Ltd	4.9
Beijing Capital International Airport	4.9
Total Number of Holdings	35

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	12.4x
Predicted Return on Equity (%)	14.7
Predicted Dividend Yield (%)	4.9

Risk Metrics

Tracking Error (% pa)	9.40
Beta	0.77
Alpha	9.80
Volatility (%)	13.43
Sharpe ratio	1.54

Thematic Breakdown (%)

Transport Infrastructure	26.6	
Power Utilities	15.8	
Communications Infrastructure	15.3	
Financials	11.1	
Consumer	7.6	
Real Estate	6.6	
Technology	5.9	
Cheung Kong / Hutchison	5.9	
Cash	5.2	

Geographical Breakdown (%)

Hong Kong	25.0	
China	15.4	
Korea	11.6	
India	10.6	
Australia	8.0	
Thailand	7.3	
New Zealand	7.0	
Cash	5.2	
Indonesia	3.7	
Philippines	2.5	
Singapore	2.3	
Pakistan	1.6	

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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	284.78
B	USD Unhedged Distributing	B4QVD94	IE00B4QVD949	208.49
C	GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	205.37
D	SGD Hedged Distributing	B4NFJT1	IE00B4NFJT16	200.01

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	186.26
Y	GBP Hedged Distributing	B4TRL17	IE00B4TRL175	184.22
Z	SGD Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	185.64

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	170.86

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

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