

Prusik Asian Equity Income Fund



PRUSIK

LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

31 August 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)	897.3m
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	-0.13	-1.10
3 Month	-3.98	-3.66
Year to Date	-6.32	-4.02
Since Launch	162.70	42.18
Annualised†	13.43	4.70

Source: Morningstar.

Launch Date: B: 31.12.10

†Since Launch Performance

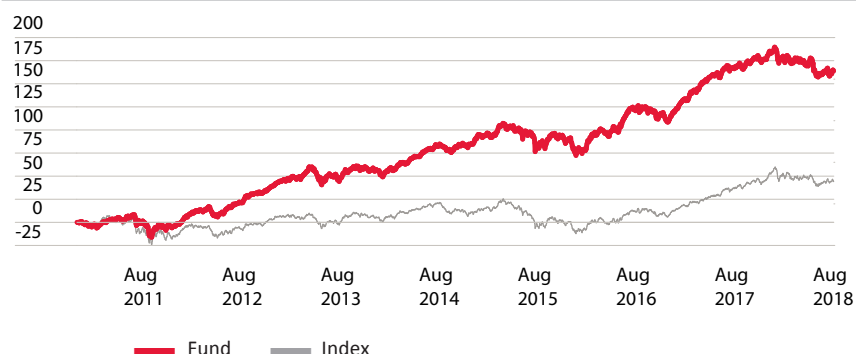
Investment Process

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 rose this month as we exited **Fonterra** and **Sky City Entertainment** and took profits in **Brambles** and the Hong Kong Telecom sector. The decision to exit **Fonterra** was because we no longer have confidence that the management will be able to generate sufficient returns on their international businesses. **Sky City** was disposed of as we reassessed our view with regards to valuation and no longer see sufficient upside to warrant inclusion in the portfolio.

With the reporting season now finished, we can report that our portfolio holdings saw, on average, a 7% increase in revenues, 11% increase in operating profit and 13% increase in dividends for the first half of the year. Only one of our holdings, **Cikarang Litrindo**, saw a drop in dividends (and that was by 1%) and two of our holdings, **Samsung Electronics** and **Guangdong Provincial Expressway**, more than doubled their pay-out to investors. Due to a combination of increasing dividends and falling fund price this year, the prospective yield for the portfolio has increased by 15% from 4.6% to 5.3%.

All data as at 31.08.18. Source: Prusik Investment Management LLP, unless otherwise stated.

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Top 5 Holdings (%)

CK Hutchison Holdings Ltd	6.4
Samsung Electronics Co Ltd - Pref	6.0
Power Grid Corporation of India	5.0
Beijing Capital International Airport	4.8
Transurban Group	4.6
Total Number of Holdings	31

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	10.8x
Predicted Return on Equity (%)	14.2
Predicted Dividend Yield (%)	5.3

Risk Metrics

Tracking Error (% pa)	9.32
Beta	0.78
Alpha	9.11
Volatility (%)	13.39
Sharpe Ratio	1.39

Thematic Breakdown (%)

Transport Infrastructure	27.2	
Communications Infrastructure	16.2	
Power Utilities	13.4	
Financials	10.5	
Cash	8.8	
Real Estate	7.5	
Cheung Kong / Hutchison	6.4	
Technology	6.0	
Energy	2.5	
Consumer	1.4	

Geographical Breakdown (%)

Hong Kong	26.7	
China	14.4	
India	11.1	
Korea	10.2	
Australia	9.7	
Cash	8.8	
Thailand	5.5	
Indonesia	4.8	
Philippines	2.8	
Singapore	2.7	
New Zealand	2.1	
Pakistan	1.1	

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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	270.23
B USD Unhedged Distributing	B4QVD94	IE00B4QVD949	193.17
C GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	188.75
D SGD Hedged Distributing	B4NFJT1	IE00B4NFJT16	184.58

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	172.57
Y GBP Hedged Distributing	B4TRL17	IE00B4TRL175	169.31
Z SGD Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	171.25

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	167.14

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

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