

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 January 2019

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)	909.2m
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	6.09	7.29
3 Month	10.03	9.00
Year to Date	6.09	7.29
Since Launch	169.17	37.19
Annualised [†]	13.03	3.99

Source: Morningstar.

Launch Date: B: 31.12.10

[†]Since Launch Performance

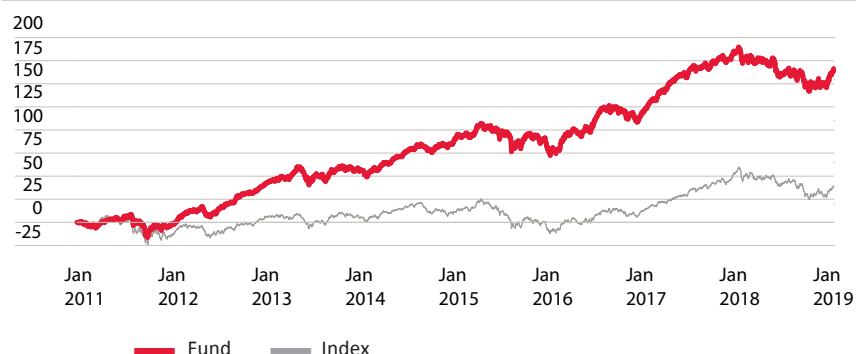
Investment Process

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

It is striking how quickly the mood in the market has moved from fear (over quantitative tightening, a strong US dollar and a weakening Chinese economy) to greed (Fed back to easing mode, trade deal likely between US and China). Although the Asian markets are by no means expensive at these levels, in some cases, the reduction of risk premium has been quite dramatic.

For example, **Sun Hung Kai Properties**, which we purchased at close to HK\$100/share in October last year is now trading at HK\$131/share having paid HK\$3.45/share in dividends during November. Given our estimate for fair value is in the HK\$135-145 range, the risk-return at these levels is significantly less attractive. However, in general, the portfolio is still attractively valued both in absolute terms and versus the market.

During the month we bought new positions in **Sands China**, **Wuliangye Yibin** and **Cromwell European REIT** and added to positions in **First Pacific**, **Power Grid Corp of India** and **Samsung Electronics Prefs**. We reduced our holdings in **Beijing Capital Airport**, **Jasmine Broadband Infrastructure Fund**, **BHP**, **Rio Tinto** and **Macquarie Korea Infrastructure Fund** and exited **Fortune REIT** and **Glow Energy**.

All data as at 31.01.19. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Equity Income Fund



Top 5 Holdings (%)

Samsung Electronics Co Ltd	5.9
CK Hutchison Holdings Ltd	5.8
Zhejiang Expressway Co	5.6
Power Grid Corporation of India	5.0
Swire Pacific Ltd	4.6

Total Number of Holdings	34
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Portfolio Financial Ratios

Predicted Price/Earnings Ratio	10.5x
Predicted Dividend Yield (%)	5.3

Risk Metrics

Tracking Error (% pa)	9.31
Beta	0.77
Alpha	9.28
Volatility (%)	13.55
Sharpe Ratio	1.33

Thematic Breakdown (%)

Transport Infrastructure	17.2	
Communications Infrastructure	15.6	
Real Estate	14.9	
Power Utilities	11.8	
Financials	11.2	
Consumer	7.9	
Resources	6.2	
Technology	5.9	
Cheung Kong / Hutchison	5.8	
Cash	3.7	

Geographical Breakdown (%)

Hong Kong	30.0	
China	16.0	
India	10.5	
Australia	9.3	
Korea	7.8	
Indonesia	6.3	
Macau	4.8	
Singapore	4.0	
Cash	3.7	
Philippines	3.1	
Thailand	3.0	
UK	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	276.89
B USD Unhedged Distributing	B4QVD94	IE00B4QVD949	194.07
C GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	187.79
D SGD Hedged Distributing	B4NFJT1	IE00B4NFJT16	184.57

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	173.37
Y GBP Hedged Distributing	B4TRL17	IE00B4TRL175	168.44
Z SGD Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	171.24

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	166.29

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

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