

# Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 July 2017

## 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)	952.5m
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	2.71	5.22
3 Month	7.22	10.10
Year to Date	26.53	26.20
Since Launch	167.21	36.14
Annualised†	16.11	4.80

Source: Morningstar.

Launch Date: B: 31.12.10

†Since Launch Performance

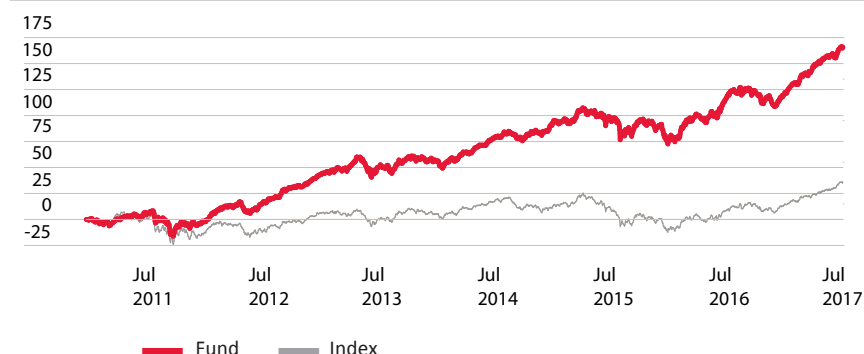
### Investment Process

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 **Karachi Electric** due to a change in the regulatory regime which reduces the attractiveness of the company considerably. Investing in frontier markets in Asia always involves a degree of calculated risk and in this case, our thesis that the government would continue to allow **Karachi Electric** to earn a reasonable cost of capital in order to aid the modernisation of Pakistan's electricity transmission and distribution system, was misplaced.

Performance was poor in July due largely to our significant cash weighting combined with an underweight position in technology and banks which performed strongly. The technology sector, which represents about 25% of the index compared to just 8.5% for our fund, is up almost 45% year to date and, although we are not negative on the sector, there are not that many stocks in this industry which have the characteristics that we are looking for. This is not presented as an excuse – we have been underweight lots of sectors that have underperformed for similar reasons and have been happy to claim the credit for that – but to give some colour as to why our relative performance has been somewhat disappointing year to date.

All data as at 31.07.17. Source: Prusik Investment Management LLP, unless otherwise stated.

# Prusik Asian Equity Income Fund



## Top 5 Holdings (%)

Samsung Electronics Co Ltd - Pref	8.0
CK Hutchison Holdings Ltd	6.4
AIA Group Ltd	6.2
Zhejiang Expressway	5.2
Beijing Capital International Airport	5.1
Total Number of Holdings	31

## Portfolio Financial Ratios

Predicted Price/Earnings Ratio	12.9x
Predicted Return on Equity (%)	15.4
Predicted Dividend Yield (%)	4.2

## Risk Metrics

Tracking Error (% pa)	9.56
Beta	0.78
Alpha	11.40
Volatility (%)	13.83
Sharpe ratio	1.62

## Thematic Breakdown (%)

Consumer	15.4	
Transport Infrastructure	15.1	
Communications Infrastructure	14.3	
Financials	13.2	
Cash	13.1	
Power Utilities	11.8	
Technology	8.0	
CK Hutchison	6.4	
Real Estate	2.6	

## Geographical Breakdown (%)

Hong Kong	23.4	
China	16.7	
Korea	16.0	
Cash	13.1	
Thailand	10.1	
India	9.3	
New Zealand	3.1	
Indonesia	2.6	
Australia	2.4	
Pakistan	1.9	
Singapore	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	274.88
B	USD Unhedged Distributing	B4QVD94	IE00B4QVD949	204.17
C	GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	203.93
D	SGD Hedged Distributing	B4NFJT1	IE00B4NFJT16	197.04

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	182.40
Y	GBP Hedged Distributing	B4TRL17	IE00B4TRL175	182.94
Z	SGD Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	182.94

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	175.24

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

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