

# Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

29 December 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)	1,018.5m
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	1.61	3.13
3 Month	5.46	7.98
Year to Date	32.79	37.32
Since Launch	180.43	48.15
Annualised <sup>†</sup>	15.87	5.77

Source: Morningstar.

Launch Date: B: 31.12.10

<sup>†</sup>Since Launch Performance

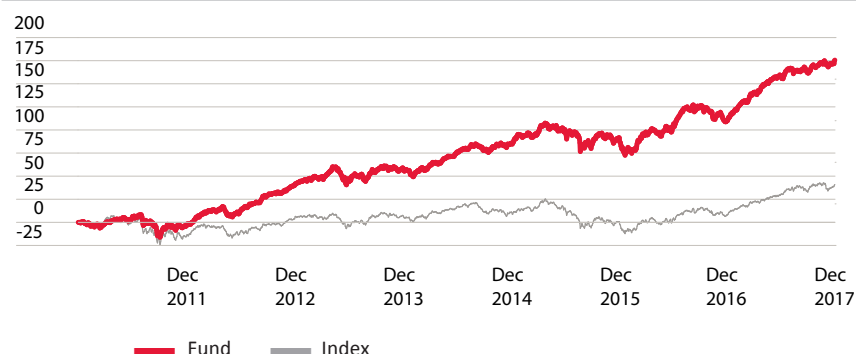
### Investment Process

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

Although the fund's return in 2017 was pleasing from an absolute return perspective, when compared to the market return the picture is less impressive. It is often easy at times like these to blame external factors for underperformance but our job is to maximise the return on our investors' capital and last year, we didn't do a particularly good job at that. If there was one key reason for the underperformance it was that we were simply too risk averse and this led us to sell stocks too early – had we not touched the portfolio all year, we would have performed in line with the market (largely since we started the year with a 3% cash position).

That said, as we enter 2018, we have a portfolio that trades on a discount to the market (both in P/E and P/B terms) and has a dividend yield that is 60% higher (4.6% compared to 2.8%). We believe that our portfolio can outperform the index over the next few years regardless of the overall market direction, as the companies we own have stronger businesses, better cash flow and cheaper valuations than the average stock in Asia.

All data as at 29.12.17. Source: Prusik Investment Management LLP, unless otherwise stated.

# Prusik Asian Equity Income Fund



## Top 5 Holdings (%)

AIA Group Ltd	6.3
CK Hutchison Holdings Ltd	6.2
Samsung Electronics Co Ltd - Pref	5.8
Beijing Capital International Airport	4.9
Zhejiang Expressway	4.8
Total Number of Holdings	35

## Portfolio Financial Ratios

Predicted Price/Earnings Ratio	12.9x
Predicted Return on Equity (%)	14.5
Predicted Dividend Yield (%)	4.6

## Risk Metrics

Tracking Error (% pa)	9.42
Beta	0.78
Alpha	10.48
Volatility (%)	13.53
Sharpe ratio	1.62

## Thematic Breakdown (%)

Transport Infrastructure	19.5	
Communications Infrastructure	14.8	
Consumer	14.0	
Cash	13.5	
Power Utilities	11.9	
Financials	9.9	
Cheung Kong / Hutchison	6.2	
Technology	5.8	
Real Estate	4.5	

## Geographical Breakdown (%)

Hong Kong	23.4	
China	18.4	
Cash	13.5	
Korea	13.4	
Thailand	9.0	
New Zealand	6.3	
India	5.6	
Australia	4.4	
Indonesia	2.6	
Pakistan	1.5	
Singapore	1.4	
Cambodia	0.5	

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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	288.47
B	USD Unhedged Distributing	B4QVD94	IE00B4QVD949	214.27
C	GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	212.26
D	SGD Hedged Distributing	B4NFJT1	IE00B4NFJT16	206.25

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	191.42
Y	GBP Hedged Distributing	B4TRL17	IE00B4TRL175	190.41
Z	SGD Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	191.45

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	178.69

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

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