

# Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

29 September 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)	962.4m
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	-0.54	-0.28
3 Month	2.21	6.04
Year to Date	25.92	27.17
Since Launch	165.92	37.20
Annualised <sup>†</sup>	15.59	4.80

Source: Morningstar.

Launch Date: B: 31.12.10

<sup>†</sup>Since Launch Performance

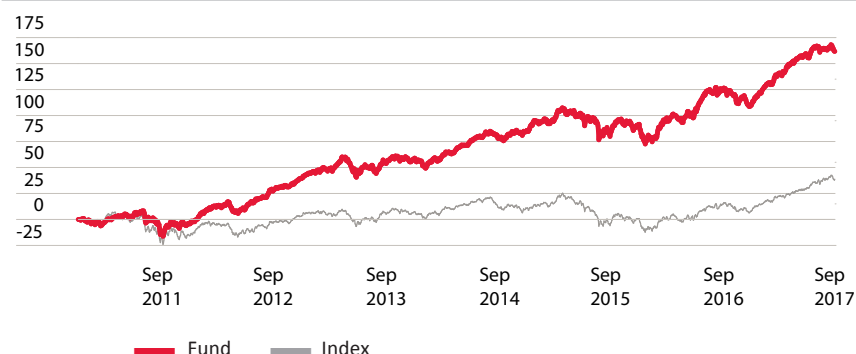
## Investment Process

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

We added 2 new positions to the portfolio this month – both in the China infrastructure sector. **Guangdong Provincial Expressway** owns 3 roads in this coastal province located to the north west of Hong Kong. It trades on 8x P/E and has an 8% dividend yield. It is a “B-share” which means its shares are listed on the domestic Chinese stock market but are traded in Hong Kong dollars and can be bought by foreign investors without foreign investor approval. These shares were first launched in the early 1990s but their popularity has waned since the opening up of the A-share market and therefore do not attract institutional attention and the stock has minimal research coverage as a result. We have also bought a position in **Shenzhen Airport** which we believe will see strong traffic growth and an increasing share of (higher value) international passengers. Although the dividend yield is currently low (approx. 1.5%) we believe, in all other regards, this is exactly the type of investment we look for with a monopoly like status and high growth potential but trading at a steep discount to intrinsic value.

All data as at 29.09.17. Source: Prusik Investment Management LLP, unless otherwise stated.

# Prusik Asian Equity Income Fund



## Top 5 Holdings (%)

Samsung Electronics Co Ltd - Pref	8.3
CK Hutchison Holdings Ltd	6.6
AIA Group Ltd	5.7
Zhejiang Expressway	5.5
Beijing Capital International Airport	4.8
Total Number of Holdings	33

## Portfolio Financial Ratios

Predicted Price/Earnings Ratio	12.4x
Predicted Return on Equity (%)	15.4
Predicted Dividend Yield (%)	4.4

## Risk Metrics

Tracking Error (% pa)	9.50
Beta	0.78
Alpha	11.15
Volatility (%)	13.71
Sharpe ratio	1.58

## Thematic Breakdown (%)

Transport Infrastructure	16.3	
Consumer	14.7	
Communications Infrastructure	14.6	
Cash	13.4	
Financials	12.0	
Power Utilities	11.3	
Technology	8.3	
Cheung Kong / Hutchison	6.6	
Real Estate	2.9	

## Geographical Breakdown (%)

Hong Kong	22.8	
China	17.9	
Korea	15.3	
Cash	13.4	
Thailand	10.4	
India	8.4	
New Zealand	3.3	
Indonesia	2.7	
Australia	2.4	
Pakistan	1.7	
Singapore	1.4	
Cambodia	0.3	

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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	273.55
B USD Unhedged Distributing	B4QVD94	IE00B4QVD949	203.18
C GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	202.25
D SGD Hedged Distributing	B4NFJT1	IE00B4NFJT16	195.91

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	181.52
Y GBP Hedged Distributing	B4TRL17	IE00B4TRL175	181.43
Z SGD Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	181.88

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	170.99

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

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