

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 March 2016

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)	783.8m
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 (MXAPJ)

Performance - Class B USD (%)

	Fund	Index
1 Month	10.28	11.59
3 Month	3.24	1.97
Year to Date	3.24	1.97
Since Launch	97.73	4.89
Since Launch (Annualised)	13.86	0.91

Source: Bloomberg

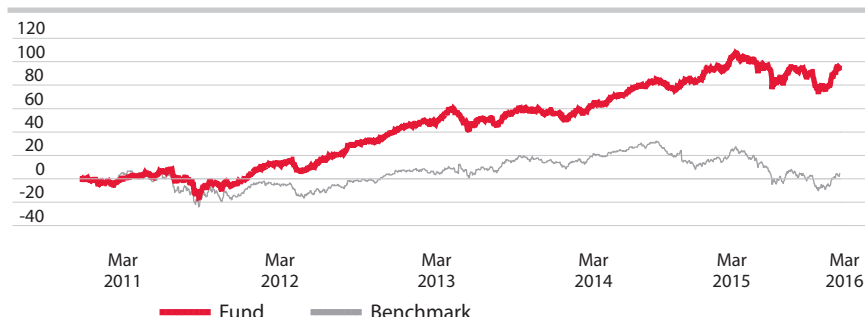
Investment Process

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: Bloomberg. Total return net income reinvested.

Fund Manager Commentary

We are relatively pleased with the fund's performance this month given the poor quality nature of the rally (by which I mean it was driven by stocks that we don't own) and the low beta nature of our portfolio. One reason for this is that, although we seek to own stocks with limited cyclical and strong cash flow generation, we are extremely wary of paying up for defensiveness and so our portfolio actually trades at slight P/E discount to the market, despite the higher quality nature of our companies. This means that our portfolio has significant upside potential which can be realised when "Mr Market" is in a more cooperative mood.

The downside of the increased optimism in Asia is that there are no longer as many opportunities to pick up companies at distressed valuations (as discussed in the January report). However, we did manage to buy a position in one new company – **Zhejiang Expressway** – which offers an estimated 18% equity IRR. This is significantly higher than the 6-8% equity IRR that toll roads in the developed markets are trading at and is even more remarkable when you consider that **Zhejiang Expressway**, despite operating in what is the most overleveraged economy in the world, has a net cash balance sheet.



All data as at 31.03.16. Source: Prusik Investment Management LLP, unless otherwise stated.

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Prusik Asian Equity Income Fund



Top 5 Holdings (%)

CK Hutchinson Holdings Ltd	7.3
Samsung Electronics Co Ltd	5.6
Cheung Kong Property Holdings Ltd	4.4
Macquarie Korea Infrastructure Fund	4.3
Link Real Estate Investment Trust	4.2
Total Number of Holdings	34

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	12.8x
Predicted Return on Equity (%)	13.9

Risk Metrics

Tracking Error (% pa)	6.38
Beta	0.79
Alpha	13.14
Volatility (%)	12.78
Sharpe ratio	1.08

Thematic Breakdown (%)

Financials	18.4	
Transport Infrastructure	17.2	
Communications Infrastructure	13.0	
Cheung Kong / Hutchison	11.7	
Consumer	8.9	
Asian Brands & Technology	8.8	
Power Utilities	8.4	
Shopping Malls	7.2	
Cash	6.3	

Geographical Breakdown (%)

Hong Kong	33.2	
Thailand	15.3	
India	11.0	
China	10.3	
Korea	9.9	
Cash	6.3	
Singapore	5.6	
Taiwan	3.2	
Australia	2.4	
Pakistan	1.9	
Philippines	0.8	

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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 (MXAPJ) 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	203.21
B USD	Unhedged	Distributing	B4QVD94	IE00B4QVD949	159.70
C GBP	Hedged	Distributing	B4Q6DB1	IE00B4Q6DB12	161.31
D SGD	Hedged	Distributing	B4NFJT1	IE00B4NFJT16	154.73

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	143.35
Y GBP	Hedged	Distributing	B4TRL17	IE00B4TRL175	145.06
Z SGD	Hedged	Distributing	B6WDYZ1	IE00B6WDYZ18	144.22

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	125.60

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

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