

# Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 May 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)	784.9m
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	-0.38	-1.55
3 Month	10.90	9.77
Year to Date	3.82	0.28
Since Launch	98.60	1.36
Since Launch (Annualised)	13.51	0.25

Source: Morningstar.

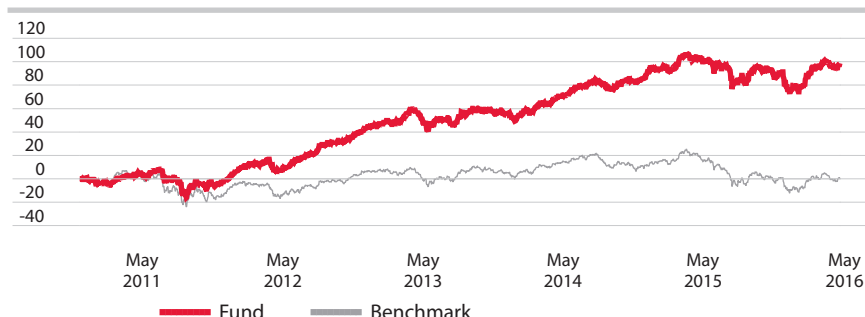
### Investment Process

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 we consider ourselves "China bears" when it comes to assessing the country's potential for an "hard landing", we disagree that this means that the Chinese equity market should be written off entirely. We would strongly agree that many sectors including banking, real estate, resources and many other cyclical areas should be avoided – despite optically low P/Es and high dividend yields – as the underlying earnings are facing cyclical and structural challenges which mean that this apparent value might well prove illusory. However, we are still able to find stocks with strong balance sheets, non-cyclical earnings and high profit margins which are trading at very depressed levels and offer substantial upside if China manages to avoid a hard landing, whilst being more than capable of sustaining and growing dividends even in a challenging environment.

All data as at 31.05.16. Source: Prusik Investment Management LLP, unless otherwise stated.

# Prusik Asian Equity Income Fund



## Top 5 Holdings (%)

CK Hutchinson Holdings Ltd	6.5
Samsung Electronics Co Ltd	5.2
Link Real Estate Investment Trust	4.3
Power Grid Corporation of India	4.3
Macquarie Korea Infrastructure Fund	4.3
Total Number of Holdings	33

## Portfolio Financial Ratios

Predicted Price/Earnings Ratio	12.6x
Predicted Return on Equity (%)	14.4
Predicted Dividend Yield (%)	4.8

## Risk Metrics

Tracking Error (% pa)	9.98
Beta	0.78
Alpha	12.61
Volatility (%)	14.46
Sharpe ratio	1.34

## Thematic Breakdown (%)

Financials	19.1	
Transport Infrastructure	15.5	
Communications Infrastructure	12.8	
Cash	10.4	
Cheung Kong / Hutchison	9.4	
Power Utilities	9.0	
Consumer	8.6	
Asian Brands & Technology	8.2	
Shopping Malls	7.0	

## Geographical Breakdown (%)

Hong Kong	31.6	
India	12.0	
China	11.6	
Thailand	11.1	
Cash	10.4	
Korea	9.4	
Singapore	5.7	
Taiwan	3.1	
Pakistan	2.1	
Australia	2.1	
Philippines	0.7	
Indonesia	0.1	

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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	204.36
B USD	Unhedged	Distributing	B4QVD94	IE00B4QVD949	160.60
C GBP	Hedged	Distributing	B4Q6DB1	IE00B4Q6DB12	162.11
D SGD	Hedged	Distributing	B4NFJT1	IE00B4NFJT16	155.82

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	123.94
Y GBP	Hedged	Distributing	B4TRL17	IE00B4TRL175	143.85
Z SGD	Hedged	Distributing	B6WDYZ1	IE00B6WDYZ18	145.49

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	144.91

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

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