

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

29 July 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)	817.9m
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	7.56	5.61
3 Month	9.79	6.27
Year to Date	14.41	8.25
Since Launch	118.86	9.08
Since Launch (Annualised)	15.06	1.57

Source: Morningstar.

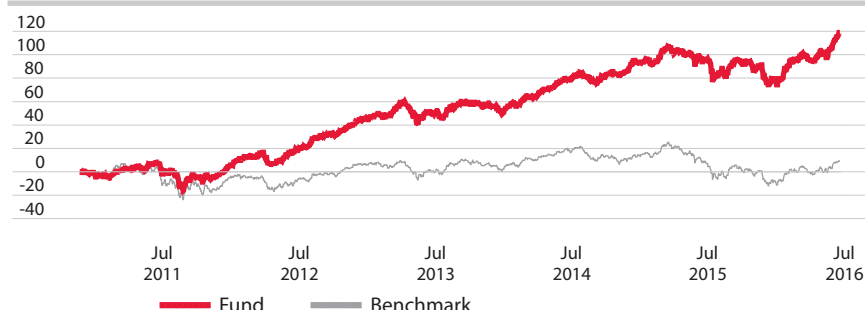
Investment Process

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

July proved to be a strong month for both absolute and relative performance. There was no particular sector or country that stood out although 2 of the top 5 performers were Hong Kong real estate developers. We mentioned in the January report that we had purchased shares of **Sun Hung Kai Properties** which was pricing in an extremely negative scenario and we believed the risk/return was exceptionally attractive. Since then, the stock price has rallied almost 40% and so much of this undervaluation has disappeared (although it still trades at a 40% discount to Net Asset Value). More generally, the 27% rise in the value of the fund since the lows of January has meant that several of our stocks now offer substantially less upside than before and we have been trimming some of these names. As a result, our cash position has risen to 10% and will likely climb further if markets continue their ascent. We still believe that the overall portfolio valuation, at 13x P/E, does not seem excessive and if bond yields remain low we would expect that multiple to expand steadily. However, our primary focus is on protecting investors' capital by minimising our downside risk and so when stocks trade too far from our assessment of a "worst case" valuation scenario then we look to reduce our position size in those names.

All data as at 29.07.16. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Equity Income Fund



Top 5 Holdings (%)

CK Hutchinson Holdings Ltd	6.3
Samsung Electronics Co Ltd	6.2
Power Grid Corporation of India	4.8
Macquarie Korea Infrastructure Fund	4.2
Beijing Capital International Airport	4.0
Total Number of Holdings	34

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	13.0x
Predicted Return on Equity (%)	14.5
Predicted Dividend Yield (%)	4.4

Risk Metrics

Tracking Error (% pa)	9.93
Beta	0.79
Alpha	12.94
Volatility (%)	14.46
Sharpe ratio	1.47

Thematic Breakdown (%)

Financials	16.0	
Transport Infrastructure	14.7	
Power Utilities	12.7	
Communications Infrastructure	12.5	
Cash	10.2	
Cheung Kong / Hutchison	9.3	
Asian Brands & Technology	8.8	
Consumer	8.7	
Shopping Malls	7.1	

Geographical Breakdown (%)

Hong Kong	28.5	
India	12.3	
Thailand	11.7	
Korea	11.7	
China	10.8	
Cash	10.2	
Singapore	5.3	
Taiwan	2.6	
Pakistan	2.3	
Indonesia	2.0	
Australia	1.4	
New Zealand	0.7	
Philippines	0.4	

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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	225.21
B USD	Unhedged	Distributing	B4QVD94	IE00B4QVD949	173.49
C GBP	Hedged	Distributing	B4Q6DB1	IE00B4Q6DB12	174.86
D SGD	Hedged	Distributing	B4NFJT1	IE00B4NFJT16	168.17

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	155.00
Y GBP	Hedged	Distributing	B4TRL17	IE00B4TRL175	156.61
Z SGD	Hedged	Distributing	B6WDYZ1	IE00B6WDYZ18	156.02

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	148.15

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

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