

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

30 June 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

Performance - Class B USD (%)

	Fund	Index
1 Month	2.46	2.21
3 Month	3.04	0.56
Year to Date	6.37	2.50
Since Launch	103.73	3.29
Since Launch (Annualised)	13.81	0.59

Source: Morningstar.

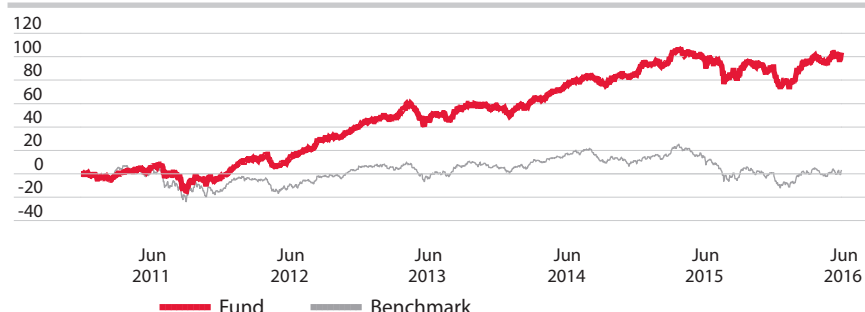
Investment Process

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 the news was dominated by the Brexit referendum, the actual impact on our portfolio was relatively minimal. We have only one position that has any significant exposure to the UK (**CK Hutchison**) and only 4 positions that have any exposure at all to Europe. Our portfolio remains heavily focused on domestic companies that operate in non-cyclical businesses and so would not expect a deterioration in the European economies to have a large impact on the earnings power of our portfolio.

We added one new position to the portfolio this month. We took part in an IPO of **Cikarang Listrindo**, an Indonesian Integrated Power Producer which has an effective monopoly to supply power to 5 industrial estates in West Java on an exclusive basis. Its market position is very strong as the customers have little choice other than to use Cikarang but, in return for this, they get a power supply which is significantly more reliable than the alternative, state owned PLN. Their customers are multinational corporations and the cost of power is not material to their overall operations. In addition, Cikarang's earnings are protected against movements in the exchange rate movements and fuel price. As a result we own a low risk, annuity stream of USD cash flows which will grow due both to organic growth as well as new projects are added. The valuation is at a steep discount to regional peers due to lack of comparable companies in Indonesia and the limited free float. It trades at a 12% free cash flow yield and offers a dividend yield of 5.4%. The dividend yield could be higher but they have a bond outstanding that restricts the payout ratio to 50%. Once they refinance this bond (it is currently trading about the call price), they should be able to increase the payout ratio substantially.

All data as at 30.06.16. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Equity Income Fund



Top 5 Holdings (%)

CK Hutchinson Holdings Ltd	6.1
Samsung Electronics Co Ltd	5.9
Link Real Estate Investment Trust	4.7
Power Grid Corporation of India	4.6
Macquarie Korea Infrastructure Fund	4.2
Total Number of Holdings	34

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	12.6x
Predicted Return on Equity (%)	14.2
Predicted Dividend Yield (%)	4.7

Risk Metrics

Tracking Error (% pa)	9.97
Beta	0.78
Alpha	12.57
Volatility (%)	14.50
Sharpe ratio	1.36

Thematic Breakdown (%)

Financials	19.1	
Transport Infrastructure	15.4	
Communications Infrastructure	12.7	
Power Utilities	11.6	
Asian Brands & Technology	9.0	
Cheung Kong / Hutchison	8.9	
Consumer	8.2	
Shopping Malls	7.8	
Cash	7.3	

Geographical Breakdown (%)

Hong Kong	32.1	
India	11.7	
China	11.5	
Thailand	11.4	
Korea	10.8	
Cash	7.3	
Singapore	5.6	
Taiwan	3.2	
Pakistan	2.2	
Australia	2.0	
Indonesia	1.7	
Philippines	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	209.38
B USD	Unhedged	Distributing	B4QVD94	IE00B4QVD949	164.55
C GBP	Hedged	Distributing	B4Q6DB1	IE00B4Q6DB12	166.06
D SGD	Hedged	Distributing	B4NFT1	IE00B4NFT116	159.45

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	147.32
Y GBP	Hedged	Distributing	B4TRL17	IE00B4TRL175	149.01
Z SGD	Hedged	Distributing	B6WDYZ1	IE00B6WDYZ18	148.24

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	137.91

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

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