

# Prusik Asian Equity Income Fund



PRUSIK

LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

28 October 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)	795.1m
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	-1.43	-1.66
3 Month	0.29	2.23
Year to Date	14.75	10.66
Since Launch	119.56	11.51
Annualised <sup>†</sup>	14.43	1.89

Source: Morningstar.

Launch Date: B: 31.12.10

<sup>†</sup>Since Launch Performance

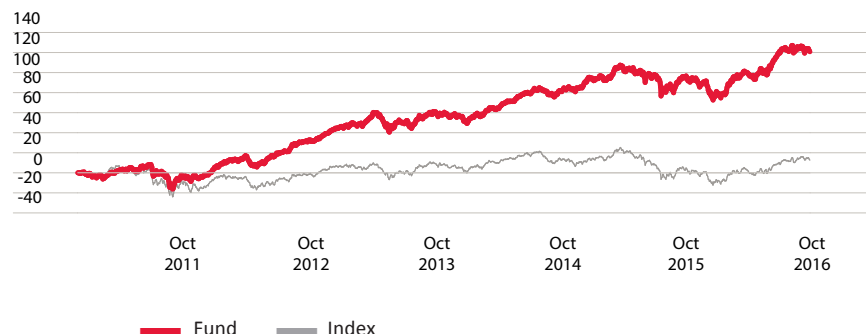
## Investment Process

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

This month we bought a new position in Australian casino operator **Crown Resorts**. Crown's main assets are casinos in Melbourne and Perth where they are the only casinos allowed by law, to operate in those states (Victoria and Western Australia). As a result of their monopoly status they are extremely profitable businesses and enjoy strong cash generation. The stock's valuation is depressed due to the company's venture into international casinos which has detracted from the attractiveness of the core business but, the company's recent announcement that it is going to spin these international operations off will, we think, remove that discount. Our opportunity to enter the stock came when the announcement was made that 18 of Crown's employees were detained in China, reportedly for soliciting customers in the country, which has led analysts to downgrade their estimates for Chinese VIP business and caused the stock to fall sharply. However, at the current price we believe these concerns are more than discounted; assuming that the spin-off goes ahead, and with very conservative assumptions for the VIP business, we calculate that the stock is trading on close to an 8% dividend yield.

All data as at 28.10.16. Source: Prusik Investment Management LLP, unless otherwise stated.

# Prusik Asian Equity Income Fund



## Top 5 Holdings (%)

CK Hutchinson Holdings Ltd	6.8
Samsung Electronics Co Ltd	6.5
Power Grid Corporation of India	4.9
Indiabulls Housing Finance Ltd	4.4
Macquarie Korea Infrastructure Fund	4.1
Total Number of Holdings	33

## Portfolio Financial Ratios

Predicted Price/Earnings Ratio	13.0x
Predicted Return on Equity (%)	15.7
Predicted Dividend Yield (%)	4.6

## Risk Metrics

Tracking Error (% pa)	9.82
Beta	0.79
Alpha	12.15
Volatility (%)	14.35
Sharpe ratio	1.43

## Thematic Breakdown (%)

Consumer	14.8	
Transport Infrastructure	14.0	
Cash	14.0	
Financials	12.7	
Power Utilities	12.6	
Communications Infrastructure	11.7	
Technology	8.7	
CK Hutchison	6.8	
Real Estate	4.7	

## Geographical Breakdown (%)

Hong Kong	20.8	
Cash	14.0	
India	13.3	
Thailand	12.5	
Korea	12.5	
China	9.5	
Singapore	4.6	
Australia	3.8	
Pakistan	2.9	
Taiwan	2.2	
Indonesia	2.0	
New Zealand	1.7	

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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	225.87
B	USD Unhedged Distributing	B4QVD94	IE00B4QVD949	173.99
C	GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	175.44
D	SGD Hedged Distributing	B4NFJT1	IE00B4NFJT16	168.74

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	155.75
Y	GBP Hedged Distributing	B4TRL17	IE00B4TRL175	157.67
Z	GBP Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	156.85

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	161.55

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

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