

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

28 February 2015

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 out-perform the MSCI Asia Pacific ex-Japan index by 5-10% annually whilst growing its dividend over time.

Fund Facts

Fund Size (USD)	874.8m
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	1.41	3.23
3 Month	5.77	2.62
Year to Date	5.82	4.76
Since Launch	96.46	18.11
Since Launch (Annualised)	17.62	4.08

Source: Bloomberg

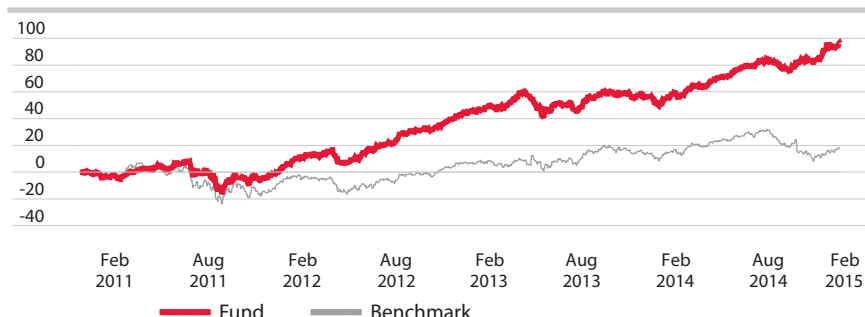
Investment Process

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 exited four positions during February. One of these was **Pact Group**, a recently listed Australian packaging company which attracted our attention last year as it was trading at steep discount to its intrinsic valuation due to a challenging IPO process and concerns over corporate governance. Over the last 6 months the market has re-rated the stock from 11x to 15x earnings and it no longer offers sufficient upside. Another company we sold was **Bangkok Expressway** which performed strongly after announcing a special dividend and a merger with mass transit operator Bangkok Metro. Although we think this acquisition makes strategic sense, Bangkok Metro trades at a significant premium to intrinsic value and so the merger will lead to a reduction in shareholder value. We have also exited both our Malaysian positions (**Berjaya Sports Toto** and **Magnum**) which have performed poorly from both a share price and fundamental perspective. Despite both stocks returning -5% (-14% in USD terms) over the past 12 months, they are both more expensive today than they were a year ago due to the deterioration in their core lottery businesses which have been hit by a combination of weak consumer spending, greater competition from illegal gaming and higher taxes.

As a result of these sales the portfolio is as concentrated as it has been for several years with 35 (soon to be 34) holdings. The upside of this is that we now have a higher conviction portfolio with excellent risk/return characteristics. The downside is that our cash position has risen to 14% which is only just below our "red line" of 15%. We are keen to keep the cash level below this level but are unwilling to compromise our investment principles in order to do so. The solution will probably be to add to existing positions and accept the concentration risk (and liquidity risk in the case of mid/small caps) that this brings.



All data as at 28.02.15. Source: Prusik Investment Management LLP, unless otherwise stated.

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Prusik Asian Equity Income Fund



Top 5 Holdings (%)

Hutchison Whampoa Ltd	7.0
Taiwan Semiconductor	3.8
Samsung Electronics	3.8
SK Telecom Co Ltd	3.6
MTR Corporation	3.3
Total Number of Holdings	35

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	12.1x
Predicted Return on Equity (%)	14.3
Predicted Dividend Yield (%)	4.4

Risk Metrics

Tracking Error (% pa)	6.9
Beta	0.78
Alpha	14.4
Volatility (%)	12.3
Sharpe ratio	1.43

Thematic Breakdown (%)

Transport Infrastructure	20.3	
Communications Infrastructure	14.8	
Cash	14.2	
Shopping Malls	10.2	
Asian Brands & Technology	10.0	
Cheung Kong / Hutchison	9.6	
Power Utilities	9.5	
Financials	8.0	
Consumer	3.5	

Geographical Breakdown (%)

Hong Kong	25.3	
Korea	16.3	
Cash	14.2	
China	12.2	
Thailand	10.1	
Singapore	6.0	
Taiwan	3.8	
India	3.5	
Australia	3.1	
Pakistan	2.2	
New Zealand	1.7	
Philippines	1.5	

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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 (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	201.91
B USD	Unhedged	Distributing	B4QVD94	IE00B4QVD949	165.18
C GBP	Hedged	Distributing	B4Q6DB1	IE00B4Q6DB12	166.29
D SGD	Hedged	Distributing	B4NFT1	IE00B4NFT116	158.72

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	150.04
Y GBP	Hedged	Distributing	B4TRL17	IE00B4TRL175	151.46
Z SGD	Hedged	Distributing	B6WDYZ1	IE00B6WDYZ18	149.99

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	122.67

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

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