

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

30 June 2014

Quarterly 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)	851.4m
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 (MXAJP)

Performance - Class B USD (%)

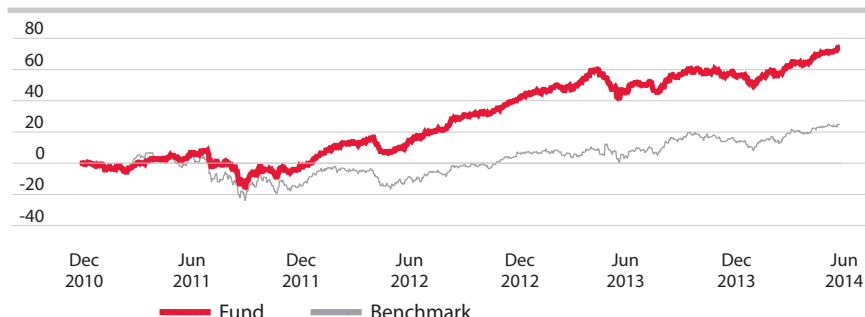
	Fund	Index
1 Month	2.14	1.73
3 Month	8.55	6.29
Year to Date	9.64	7.35
Since Launch	74.29	17.00
Since Launch (Annualised)	17.21	4.59

Source: Bloomberg

Investment Process

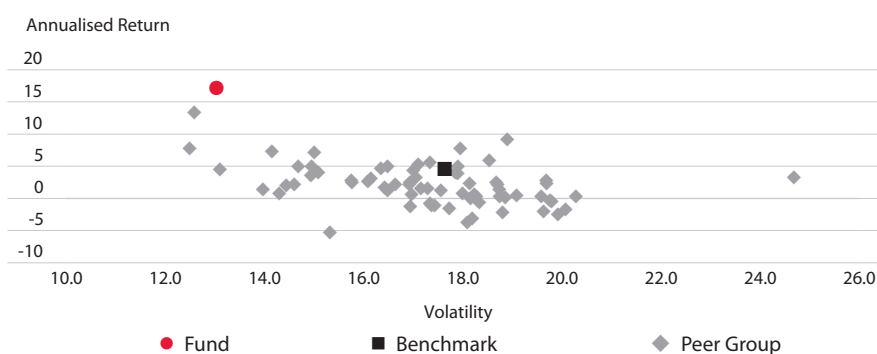
The process is both quantitative and qualitative with the latter dominating. The universe is screened for those high dividend stocks which have the greatest ability to sustain and grow their dividends over time. A particular emphasis is placed on identifying those companies with exceptional franchises, annuity like cash flows and pricing power which are trading at significant discounts to intrinsic value.

Fund Performance - Class B USD (%)



Source: Bloomberg. Total return net income reinvested.

Risk Adjusted Performance - Class B USD (%)



Source: Bloomberg. Annualised return and 1 year volatility versus the peer group (open ended offshore Asia Pacific ex Japan Equity Fund Index), 31.12.10 to 30.06.14

Fund Manager Commentary

Given the relatively strong absolute and relative performance of the fund so far this year, it is worth considering whether valuations in the equity income universe are still attractive. **Link REIT**, a Hong Kong shopping mall operator which is considered to be an AAA rated income stock for its low volatility of earnings, stable business and consistent dividend growth, is an interesting case in point. In 2011 and the early part of 2012 it traded at a prospective dividend yield range of between 4.5% and 5.0%. In early 2013, when the "search for yield" became somewhat overheated, **Link's** yield got as low as 3.5%.

However, at present Link's yield is 4.4%, meaning that from a valuation standpoint it is trading at a similar level to before the "search for yield" really became a factor and so the stock does not appear to be worryingly overvalued. The situation is similar for the majority of our current holdings. On average the stocks that we own today trade on similar yields to those observed at the inception of the fund three and a half years ago and only 25% of our portfolio has a dividend yield which is more than 10% more expensive than it was at that time.



Winner 2014 Lipper Fund Awards - 3 year category*

Equity Asia Pacific Ex Japan Sector (132 funds)

Source: Lipper - data to 31/12/13*

All data as at 30.06.14. Source: Prusik Investment Management LLP, unless otherwise stated.

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Prusik Asian Equity Income Fund



Top 5 Holdings (%)

Cheung Kong Holdings	5.8
Hutchison Whampoa Ltd	4.8
The Link REIT	3.9
SK Telecom Co Ltd	3.5
Television Broadcasts Ltd	3.3
Total Number of Holdings	45

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	12.2x
Predicted Return on Equity (%)	13.8
Predicted Dividend Yield (%)	4.7

Risk Metrics

Tracking Error (% pa)	6.8
Beta	0.81
Alpha	13.5
Volatility (%)	13.0
Sharpe ratio	1.32

Thematic Breakdown (%)

Core Infrastructure	50.5	<div></div>
Retail Shopping Mall	12.7	<div></div>
Cash	10.0	<div></div>
Asian Consumer	9.9	<div></div>
Real Estate	5.8	<div></div>
Quality Financials	4.4	<div></div>
Asian Export Brand	4.2	<div></div>
Niche Tech	2.3	<div></div>

Geographical Breakdown (%)

Hong Kong	37.9	<div></div>
China	14.0	<div></div>
Korea	10.5	<div></div>
Thailand	10.2	<div></div>
Cash	10.0	<div></div>
Singapore	8.0	<div></div>
Malaysia	2.2	<div></div>
Australia	1.9	<div></div>
Indonesia	1.8	<div></div>
Pakistan	1.7	<div></div>
Taiwan	1.3	<div></div>
New Zealand	0.5	<div></div>

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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 (MXAJP) 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	179.12
B USD	Unhedged	Distributing	B4QVD94	IE00B4QVD949	153.83
C GBP	Hedged	Distributing	B4Q6DB1	IE00B4Q6DB12	154.06
D SGD	Hedged	Distributing	B4NFT1	IE00B4NFT16	147.45

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	141.27
Y GBP	Hedged	Distributing	B4TRL17	IE00B4TRL175	141.86
Z SGD	Hedged	Distributing	B6WDYZ1	IE00B6WDYZ18	140.90

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	104.55

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

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