

# Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

30 September 2015

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

## Fund Facts

Fund Size (USD)	774.2m
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 (%)

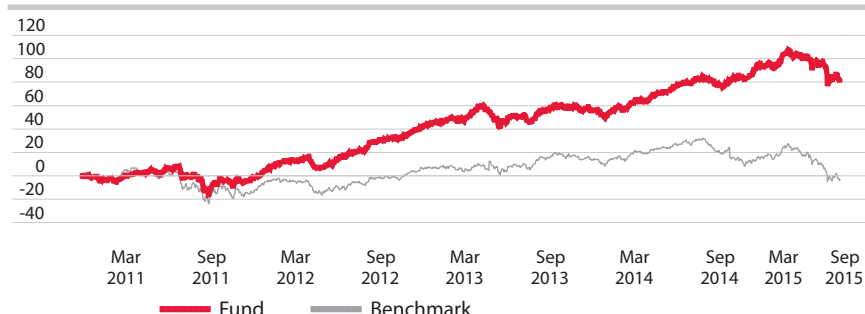
	Fund	Index
1 Month	-0.70	-2.23
3 Month	-8.18	-16.45
Year to Date	-1.42	-13.40
Since Launch	83.02	-1.97
Since Launch (Annualised)	13.57	-0.50

Source: Bloomberg

## Investment Process

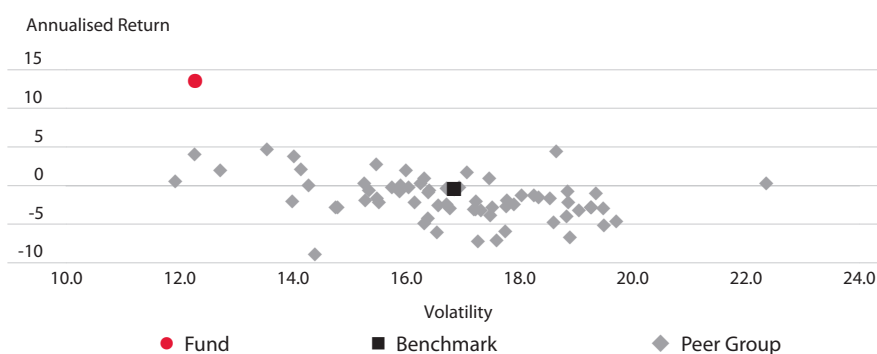
The process is both quantitative and qualitative with the latter dominating. The universe is screened for those high dividend stocks which have the greatest ability to sustain and grow their dividends over time. A particular emphasis is placed on identifying those companies with exceptional franchises, 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 30.09.15

## Fund Manager Commentary

As a result of the pessimism towards Asian equities, we have been able to buy back into two of Asia's strongest companies at very attractive valuations. **Link REIT** is a Hong Kong mass retail mall operator which trades on a dividend yield of 5.0% and has been growing rentals at 10% or more for the past several years. Although high end retail in Hong Kong is suffering owing to the lack of Chinese spending, the lower end is proving much more resilient, yet the stock is trading at the cheapest valuations since the Asia crisis. **Power Assets** operates a global power generation businesses with exposure to the Hong Kong, UK and Australian markets. Like **Link REIT** it had been dragged down by the overall market weakness and at the time of purchase was trading on an underlying multiple of 10x earnings – extremely cheap for assets of this quality. We were not the only ones that noticed this apparent valuation discrepancy as shortly after our purchase, **Power Asset's** parent company announced a takeover bid. We believe that the current proposal still undervalues the asset and are expecting the current offer to be sweetened in order to get minority shareholder approval.



All data as at 30.09.15. Source: Prusik Investment Management LLP, unless otherwise stated.

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# Prusik Asian Equity Income Fund



## Top 5 Holdings (%)

CK Hutchinson Holdings Ltd	7.3
Samsung Electronics Co Ltd	5.8
Cheung Kong Property Holdings Ltd	5.0
SK Telecom Co Ltd	4.6
Macquarie Korea Infrastructure Fund	4.3
Total Number of Holdings	41

## Portfolio Financial Ratios

Predicted Price/Earnings Ratio	12.2x
Predicted Return on Equity (%)	13.7
Predicted Dividend Yield (%)	5.2

## Risk Metrics

Tracking Error (% pa)	6.55
Beta	0.78
Alpha	13.96
Volatility (%)	12.28
Sharpe ratio	1.11

## Thematic Breakdown (%)

Communications Infrastructure	21.3	
Transport Infrastructure	17.4	
Financials	13.3	
Cheung Kong / Hutchison	12.3	
Asian Brands & Technology	11.5	
Shopping Malls	9.5	
Consumer	7.2	
Power Utilities	5.7	
Cash	1.8	

## Geographical Breakdown (%)

Hong Kong	34.3	
Korea	14.7	
Thailand	12.6	
China	7.5	
India	7.4	
Taiwan	5.7	
Australia	5.7	
Singapore	5.2	
Pakistan	2.5	
Cash	1.8	
New Zealand	1.5	
Philippines	1.2	

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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	188.10
B USD	Unhedged	Distributing	B4QVD94	IE00B4QVD949	151.02
C GBP	Hedged	Distributing	B4Q6DB1	IE00B4Q6DB12	152.45
D SGD	Hedged	Distributing	B4NFT1	IE00B4NFT116	146.22

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	135.69
Y GBP	Hedged	Distributing	B4TRL17	IE00B4TRL175	137.32
Z SGD	Hedged	Distributing	B6WDYZ1	IE00B6WDYZ18	136.50

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	112.55

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

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