Prusik Asian Equity Income Fund

PRUSIK

Long Only Absolute Return Investing in Asia

31 January 2014
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)	854.6m
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	-4.34	-5.34
3 Month	-5.11	-7.12
Year to Date	-4.34	-5.34
Since Launch	52.07	3.32
Since Launch (Annualised)	14.54	1.06

Source: Bloomberg

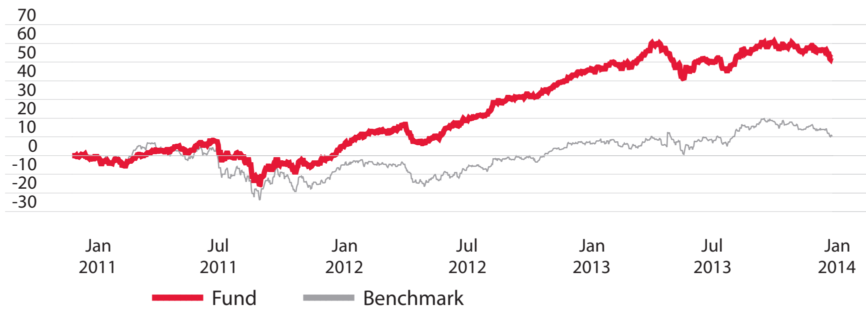
Investment Process

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 sense that investors are close to giving up on Asia even though valuation levels are approaching relatively distressed levels, particularly in Hong Kong, China and Korea. Although the short term fundamentals continue to be challenging, the longer the time horizon the more that value, rather than economic cycles, dictates returns. A recent visit to China highlighted the uncertainty that the economy faces as it transitions to a lower growth model. Although our China portfolio is relatively non-cyclical (power, airports, roads and rail) and valuations are very attractive, the risk of debt crisis in China caused by the rapid increase in lending since 2009 cannot be ruled out. This is important when it comes to determining at what price the risk/reward in these positions becomes unattractive again.

Another market we are seeing value appear in is Thailand. Due to the huge foreign investor outflows driven by a mixture of political fear, general emerging market weariness and an economic slowdown there are some very attractive, non-cyclical businesses for sale at distressed prices. Our Thai portfolio trades on a P/E of 12x with a dividend yield of 7.0% and contains a mixture of core infrastructure (public transport, power, airport, toll roads) and consumer (TV, cinema) companies. We would welcome further weakness as an opportunity to add to these positions.

All data as at 31.01.14. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Investment Management LLP
1st Floor 46 Hays Mews
London W1J 5QD

Mark Dwerryhouse
Tel: +44 (0)20 7297 6854
Mob: +44 (0)7831 856 066

Nazinna Douglas
Tel: +44 (0)20 7493 1331
Fax: +44 (0)20 7493 1770

Web: www.prusikim.co.uk
Email:enquiries@prusikim.co.uk

Prusik Asian Equity Income Fund

Top 5 Holdings (%)

Cheung Kong Holdings	6.6
Hutchison Whampoa Ltd	5.5
HSBC Holdings	4.8
Beijing Capital Intl	3.4
SK Telecom Co Ltd	3.3
Total Number of Holdings	49

Portfolio Financial Ratios

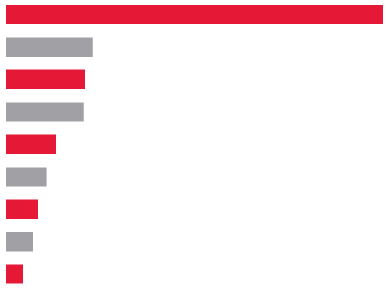
Predicted Price/Earnings Ratio	10.2x
Predicted Return on Equity (%)	14.6
Predicted Dividend Yield (%)	4.4

Risk Metrics

Tracking Error (% pa)	6.6
Beta	0.81
Alpha	13.7
Volatility (%)	13.6
Sharpe ratio	1.07

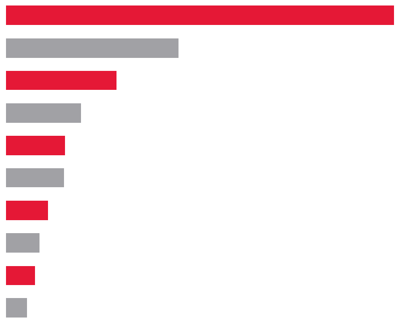
Thematic Breakdown (%)

Core Infrastructure	48.0
Asian Consumer	11.0
Real Estate	10.0
Quality Financials	9.9
Retail Shopping Mall	6.4
Asian Export Brand	5.1
Energy	4.1
Cash	3.4
Niche Tech	2.1



Geographical Breakdown (%)

Hong Kong	39.3
China	17.5
Korea	11.2
Singapore	7.6
India	6.0
Thailand	5.8
Australia	4.2
Cash	3.4
Indonesia	2.9
Malaysia	2.1



All data as at 31.01.14. Source: Prusik Investment Management LLP, unless otherwise stated.

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	156.28
B USD	Unhedged	Distributing	B4QVD94	IE00B4QVD949	134.22
C GBP	Hedged	Distributing	B4Q6DB1	IE00B4Q6DB12	134.55
D SGD	Hedged	Distributing	B4NFJT1	IE00B4NFJT16	128.81

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	123.35
Y GBP	Hedged	Distributing	B4TRL17	IE00B4TRL175	123.84
Z SGD	Hedged	Distributing	B6WDYZ1	IE00B6WDYZ18	123.10

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	94.38

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