

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

28 February 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)	792.5m
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 (MXAJPI)

Performance - Class B USD (%)

	Fund	Index
1 Month	4.03	4.57
3 Month	-0.73	-2.84
Year to Date	-0.48	-0.81
Since Launch	58.20	8.09
Since Launch (Annualised)	15.60	2.49

Source: Bloomberg

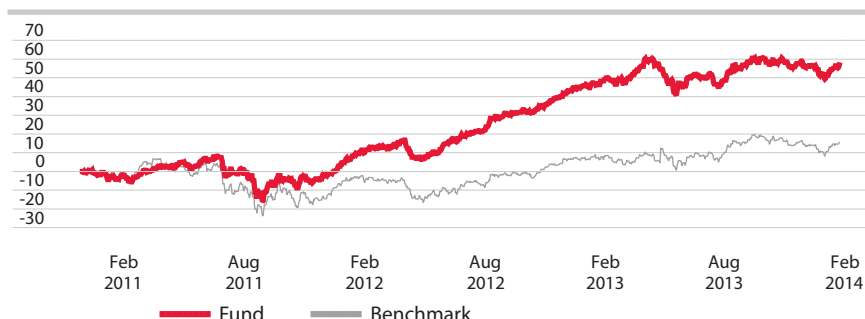
Investment Process

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

Since applying a front end charge to the fund, assets are now approaching a more manageable level, which has allowed us to increase the allocation to mid and small cap stocks i.e. companies with a market cap below US\$5b. Having bottomed at 30% of the fund in September 2013, small and mid cap stocks are now back up to 45% of the portfolio. Smaller stocks tend to have less analyst coverage and therefore tend to be priced more inefficiently than larger names and so in the past we have generated more alpha from this area of the market.

Another current trend is that we are finding more value "classic high yield" stocks as investors continue to desert this area of the market. We have bought positions in **Link REIT** (Hong Kong low end shopping malls with a 5% dividend yield growing at 8-10% a year), **Macquarie Korea Infrastructure Fund** (Korean toll road operator with government guaranteed revenues offering a 6% yield growing at 10% a year) and **Samui Airport** (debt free airport with a 9% dividend yield growing at 10% a year). To fund these purchases we have reduced our exposure to India, which is cheap but cyclical. We have also reduced our weightings in **HSBC** and **Standard Chartered** owing to the fact that the deteriorating credit environment in Asia means the earnings outlook for these companies looks increasingly challenging.

All data as at 28.02.14. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Equity Income Fund



Top 5 Holdings (%)

Cheung Kong Holdings	6.6
Hutchison Whampoa Ltd	4.8
SK Telecom Co Ltd	3.6
Beijing Capital Intl	3.3
Zhejiang Expressway	3.0
Total Number of Holdings	47

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	10.7x
Predicted Return on Equity (%)	14.5
Predicted Dividend Yield (%)	4.5

Risk Metrics

Tracking Error (% pa)	6.6
Beta	0.81
Alpha	13.6
Volatility (%)	13.5
Sharpe ratio	1.16

Thematic Breakdown (%)

Core Infrastructure	48.3	
Cash	10.7	
Asian Consumer	9.6	
Real Estate	9.1	
Retail Shopping Mall	7.8	
Quality Financials	5.4	
Asian Export Brand	4.0	
Energy	3.8	
Niche Tech	1.3	

Geographical Breakdown (%)

Hong Kong	33.8	
China	17.6	
Korea	11.7	
Cash	10.7	
Singapore	8.6	
Thailand	7.3	
India	3.1	
Indonesia	2.7	
Malaysia	2.3	
Australia	2.2	

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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 (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	162.58
B USD	Unhedged	Distributing	B4QVD94	IE00B4QVD949	139.63
C GBP	Hedged	Distributing	B4Q6DB1	IE00B4Q6DB12	139.84
D SGD	Hedged	Distributing	B4NFJT1	IE00B4NFJT16	133.96

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	128.32
Y GBP	Hedged	Distributing	B4TRL17	IE00B4TRL175	128.73
Z SGD	Hedged	Distributing	B6WDYZ1	IE00B6WDYZ18	128.08

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	96.59

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

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