

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 December 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)	847.3m
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 (%)

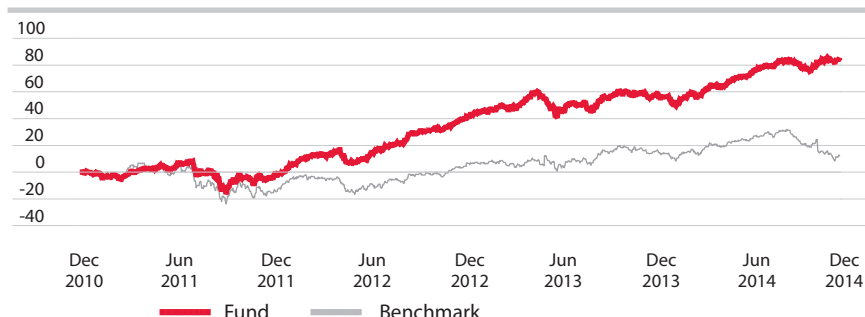
	Fund	Index
1 Month	-0.05	-2.22
3 Month	4.31	-0.77
2014	16.79	3.26
Since Launch	85.65	12.54
Since Launch (Annualised)	16.72	2.99

Source: Bloomberg

Investment Process

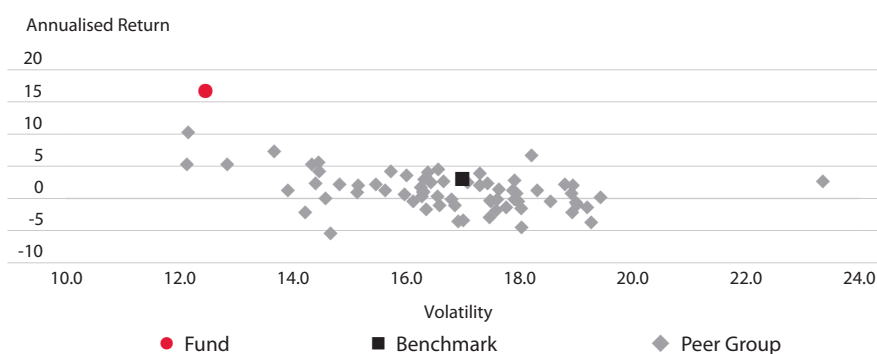
The process is both quantitative and qualitative with the latter dominating. The universe is screened for those high dividend stocks which have the greatest ability to sustain and grow their dividends over time. A particular emphasis is placed on identifying those companies with exceptional franchises, 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 31.12.14

Fund Manager Commentary

China was the biggest contributor to returns this month and the only major market to actually generate positive returns. Despite our concerns about the banking system in China, it is important to reiterate that some of our highest conviction holdings are in this market.

The biggest contributor to returns in December was **Huaneng Power** which rose by 15%. **Huaneng Power** is a good example of an infrastructure business that trades at a steep discount to global power companies due to concerns about the regulatory and legal environment in China. Our belief is that the operating environment is actually relatively benign and much of the reason for the valuation gap is because investors have sought to remove any and all China exposure from their portfolios.

One new position in the fund this month is, **SPCG** – the leading solar farm operator in Thailand. We were able to buy the company at a discount valuation of just the existing business. Further upside should come as the company wins new business as Thailand aims to substantially increase its supply of energy from renewable sources.



All data as at 31.12.14. Source: Prusik Investment Management LLP, unless otherwise stated.

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Prusik Asian Equity Income Fund



Top 5 Holdings (%)

Hutchison Whampoa Ltd	6.1
Beijing Capital Intl	3.4
MTR Corporation	3.4
KEPCO	3.2
SK Telecom Co Ltd	3.2
Total Number of Holdings	42

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	11.7x
Predicted Return on Equity (%)	14.2
Predicted Dividend Yield (%)	4.7

Risk Metrics

Tracking Error (% pa)	6.8
Beta	0.78
Alpha	14.4
Volatility (%)	12.5
Sharpe ratio	1.34

Thematic Breakdown (%)

Transport Infrastructure	24.3	
Communications Infrastructure	13.7	
Power Utilities	11.5	
Cash	10.6	
Shopping Malls	9.9	
Cheung Kong / Hutchison	8.4	
Asian Brands & Technology	7.8	
Financials	7.5	
Consumer	6.2	

Geographical Breakdown (%)

Hong Kong	26.7	
Korea	14.8	
China	14.3	
Thailand	10.8	
Cash	10.6	
Singapore	6.2	
Australia	3.5	
India	2.8	
Taiwan	2.6	
Pakistan	2.2	
Malaysia	1.8	
New Zealand	1.8	
Philippines	1.7	

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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 (MXAJPI) 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	190.80
B USD	Unhedged	Distributing	B4QVD94	IE00B4QVD949	159.04
C GBP	Hedged	Distributing	B4Q6DB1	IE00B4Q6DB12	160.00
D SGD	Hedged	Distributing	B4NFJT1	IE00B4NFJT16	152.67

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	144.66
Y GBP	Hedged	Distributing	B4TRL17	IE00B4TRL175	145.96
Z SGD	Hedged	Distributing	B6WDYZ1	IE00B6WDYZ18	144.48

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	116.82

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

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