

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

29 August 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)	856.1m
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	1.24	0.87
3 Month	7.02	6.25
Year to Date	14.89	12.13
Since Launch	82.63	22.20
Since Launch (Annualised)	17.86	5.63

Source: Bloomberg

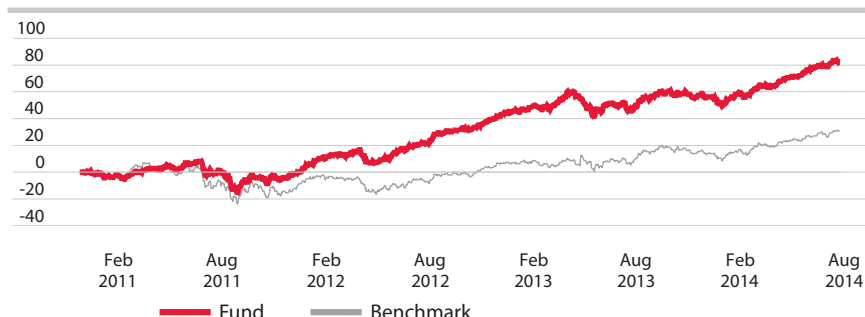
Investment Process

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

During August many of the defensive, "classic", high quality income stocks performed well and we have begun to take profits in many of these companies. We have trimmed several of our utility holdings (**Power Assets**, **Cheung Kong Infrastructure**, **Glow Energy**) as well as reducing **Cheung Kong** and **Link REIT**. As a result, our cash position has increased slightly but remains below 10%.

Although the fall in bond yields means that relative valuations have not changed substantially since the beginning of the year, we feel the absolute margin of safety in many of these positions has decreased. For example **Link REIT** offers a dividend yield of 4.0% compared to the lows of 2013 when it reached 3.5% and the beginning of the year when it was above 5.0%. Although it would not surprise us to see it trade back to the 3 - 3.5% level if bonds stay at current levels, it seems equally possible that it might trade at 5.0% should bond yields increase sharply.



All data as at 29.08.14. Source: Prusik Investment Management LLP, unless otherwise stated.

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Prusik Asian Equity Income Fund



Top 5 Holdings (%)

Hutchison Whampoa Ltd	5.2
Cheung Kong Holdings	5.1
Link REIT	3.7
Macquarie Korea Infrastructure	3.6
Beijing Capital Intl	3.3
Total Number of Holdings	46

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	12.6x
Predicted Return on Equity (%)	12.8
Predicted Dividend Yield (%)	4.7

Risk Metrics

Tracking Error (% pa)	6.6
Beta	0.80
Alpha	13.4
Volatility (%)	17.9
Sharpe ratio	1.39

Thematic Breakdown (%)

Core Infrastructure	50.7	<div></div>
Retail Shopping Mall	14.2	<div></div>
Asian Consumer	9.7	<div></div>
Cash	8.9	<div></div>
Quality Financials	5.7	<div></div>
Real Estate	5.1	<div></div>
Asian Export Brand	3.6	<div></div>
Niche Tech	2.2	<div></div>

Geographical Breakdown (%)

Hong Kong	37.0	<div></div>
China	15.2	<div></div>
Korea	10.5	<div></div>
Thailand	10.2	<div></div>
Cash	8.9	<div></div>
Singapore	7.8	<div></div>
Australia	3.3	<div></div>
Malaysia	2.2	<div></div>
Pakistan	1.8	<div></div>
New Zealand	1.1	<div></div>
Taiwan	1.0	<div></div>
India	1.0	<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	187.69
B USD	Unhedged	Distributing	B4QVD94	IE00B4QVD949	156.45
C GBP	Hedged	Distributing	B4Q6DB1	IE00B4Q6DB12	156.94
D SGD	Hedged	Distributing	B4NFJT1	IE00B4NFJT16	149.96

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	143.63
Y GBP	Hedged	Distributing	B4TRL17	IE00B4TRL175	144.53
Z SGD	Hedged	Distributing	B6WDYZ1	IE00B6WDYZ18	143.25

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	109.03

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

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