

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 May 2013

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)	738.4m
Launch Date	31 December 2010
Fund Manager	Tom Naughton
Fund Structure	UCITS III
Domicile	Dublin
Currencies	USD (base), GBP, SGD

Performance (%)

Class 1*	B USD	C GBP	D SGD
1 Month	-0.53	-0.34	-0.39
3 Month	4.38	4.59	4.48
Year to Date	10.41	11.04	10.59
Since Launch†	54.71	55.57	49.24
2012	45.90	45.34	44.69
2011	-3.96	-3.60	-6.73

†Launch Date: B: 31.12.10, C: 21.01.11, D: 31.12.10

*Class 1 shares were closed to further investment on 30th November 2012

Class 2*	X USD	Y GBP	Z SGD
1 Month	-0.86	-0.68	-0.71
3 Month	3.61	3.57	3.71
Year to Date	9.35	9.71	9.59
Since Launch†	33.93	35.12	34.36

†Launch Date: 31.03.12

Source: Bloomberg.

*Class 2 shares were soft closed to new investors as of 30th November 2012

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. Since Launch: 31.12.10

Fund Manager Commentary

The biggest driver of relative performance this month was our lack of exposure to the Australian market. The ASX200 index fell by more than 12% in USD terms during the month compared to the overall market fall of 3.5%. We have historically had a low exposure to Australia as we have felt that there are relatively few undervalued dividend paying stocks in that market and that the risks to the economy and market are underestimated. On the other hand in Korea, one of the less popular destinations for investors seeking income, our portfolio generated a return on capital of 5.7% during the month despite concerns that the Japanese Yen weakness would bring the Korean economy to its knees. We continue to believe that it is vital to focus on downside risk and intrinsic valuation rather than just dividend yields when it comes to selecting stocks. An attractive dividend yield is important, but focusing on limiting downside risk and maximising upside to intrinsic valuation is essential in terms of generating long term returns. This often means focusing on markets and stocks which are less popular with income seeking investors.

We have continued to shift capital away from the "discovered" income sectors and into markets, such as China, which are offering some exceptional value – especially in the infrastructure sector. Although the Chinese economy is by no means recovering – in fact we believe it to be very weak – we can find stocks with monopoly assets, high and improving return on capital and strong free cash flow generation. This is by no means a risk free investment. If China's economy suffers a hard landing and the banking system collapses then fewer people will travel by road and air and power demand will suffer. But we believe the companies we own will be less affected than many other sectors of the economy and have the balance sheet and profit margins to withstand such an event. If China recovers then the upside to earnings and valuations could well be significant.

All data as at 31.05.13. Source: Prusik Investment Management LLP, unless otherwise stated.

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Prusik Asian Equity Income Fund



Top 5 Holdings (%)

Cheung Kong Holdings	5.0
HSBC Holdings	5.0
SK Telecom Co Ltd	4.1
Telekomunikasi Indonesia	3.9
KT Corporation	3.7
Total Number of Holdings	50

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	12.2x
Predicted Return on Equity (%)	16.8
Predicted Dividend Yield (%)	4.2

Risk Metrics

Tracking Error (% pa)	6.9
Beta	0.80
Alpha	18.2
Volatility (%)	14.0
Sharpe ratio	1.42

Thematic Breakdown (%)

Core Infrastructure	33.7	
Quality Financials	17.3	
Asian Consumer	16.6	
Real Estate Services	11.9	
Asian Export Brand	7.3	
Retail Shopping Mall	7.0	
Cash	4.1	
Oil & Gas	2.0	

Geographical Breakdown (%)

Hong Kong/China	45.4	
Korea	16.0	
Thailand	10.5	
Singapore	5.7	
Malaysia	5.0	
India	4.4	
Cash	4.1	
Indonesia	3.9	
Australia	3.7	
Taiwan	1.3	

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Management Fees

Annual Management Fee
1.0% p.a. Paid monthly in arrears

Performance Fee
Class 1: None
Class 2: 10% of the net out-performance of the MSCI Asia Pacific ex Japan Index with a high-water mark.

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	159.00
B	USD	Unhedged Distributing	B4QVD94	IE00B4QVD949	141.41
C	GBP	Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	142.00
D	SGD	Hedged Distributing	B4NFJT1	IE00B4NFJT16	136.19

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	130.03
Y	GBP	Hedged Distributing	B4TRL17	IE00B4TRL175	131.42
Z	SGD	Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	130.32

Class 2 shares were soft closed to new investors as of 30th November 2012

Dividend Dates

Dividends paid twice annually (January and July)

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