

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 October 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)	864.2m
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	4.15	4.68
3 Month	6.97	10.24
Year to Date	14.27	6.27
Since Launch	59.48	11.25
Since Launch (Annualised)	17.89	3.83

Source: Bloomberg

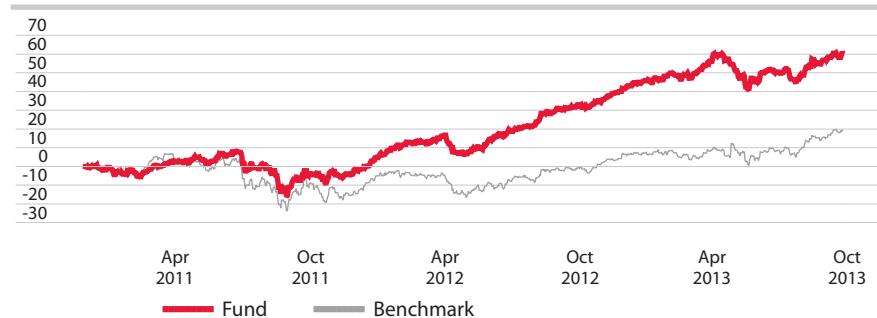
Investment Process

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

Our cash level has continued to rise marginally in October as we exit positions at a faster rate than we can replace them. In October we sold our position in **MGM China**. **MGM China** is a Macau casino operator which has performed very strongly this year, rising more than 100% as the gaming sector in this region continues to grow rapidly – September casino revenues grew by 32% on an annualised basis. Valuations are now very rich and we believe investors may be underestimating the risks to the sector. Costs are rising (e.g. crane operators are demanding a 200% pay rise, cement prices are up 30% this month) and investors seem very complacent about the concession renewals which will begin being discussed in early 2015.

Will the Chinese government be content to see US companies enjoy enormous returns on capital or will they seek to increase their share of the pie? There are also some anecdotal signs of excess in the industry. Las Vegas Sands was planning to build an “actual size” Eiffel Tower at their new Macau casino (“The Parisian”) and only downsized it to a 50% scale model after the air traffic control operator vetoed the original design! Although the positives of the sector remain undimmed, we believe the risk/reward is no longer tilted in our favour and no longer have any exposure to the sector.

All data as at 31.10.13. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Equity Income Fund



Top 5 Holdings (%)

Cheung Kong Holdings	5.8
HSBC Holdings	5.6
Hutchison Whampoa Ltd	4.9
SK Telecom Co Ltd	3.8
KT Corporation	3.1
Total Number of Holdings	40

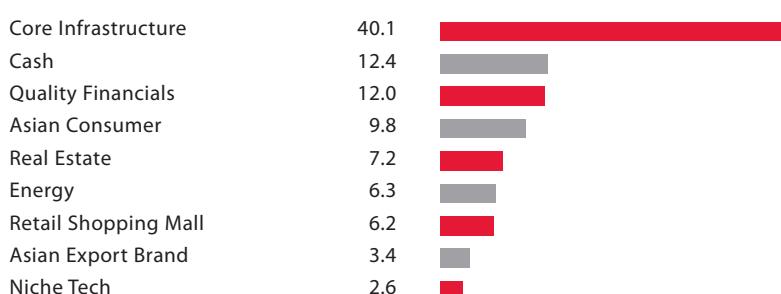
Portfolio Financial Ratios

Predicted Price/Earnings Ratio	11.3x
Predicted Return on Equity (%)	15.3
Predicted Dividend Yield (%)	4.2

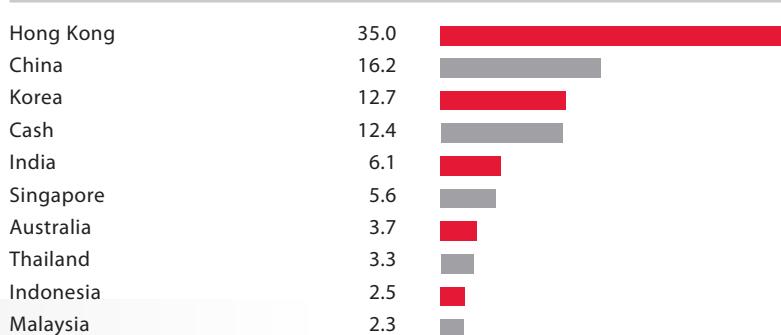
Risk Metrics

Tracking Error (% pa)	6.8
Beta	0.80
Alpha	15.0
Volatility (%)	14.0
Sharpe ratio	1.29

Thematic Breakdown (%)



Geographical Breakdown (%)



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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

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	164.71
B USD	Unhedged	Distributing	B4QVD94	IE00B4QVD949	143.61
C GBP	Hedged	Distributing	B4Q6DB1	IE00B4Q6DB12	144.03
D SGD	Hedged	Distributing	B4NFJT1	IE00B4NFJT16	137.90

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	131.98
Y GBP	Hedged	Distributing	B4TRL17	IE00B4TRL175	132.61
Z SGD	Hedged	Distributing	B6WDYZ1	IE00B6WDYZ18	131.66

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	103.73

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

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