

# Prusik Asian Equity Income Fund



## LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

P R U S I K

31 December 2013

## 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)	915.8m
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)

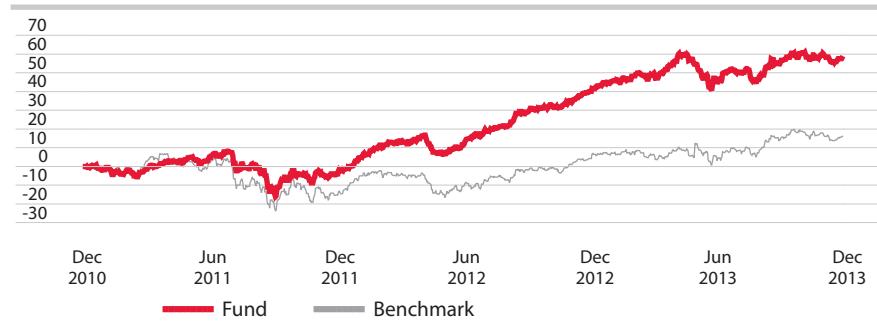
### **Performance - Class B USD (%)**

	Fund	Index
1 Month	-0.25	-1.25
3 Month	3.31	2.39
Year to Date	13.45	3.95
Since Launch	58.97	8.81
Since Launch (Annualised)	16.69	2.85

Source: Bloomberg

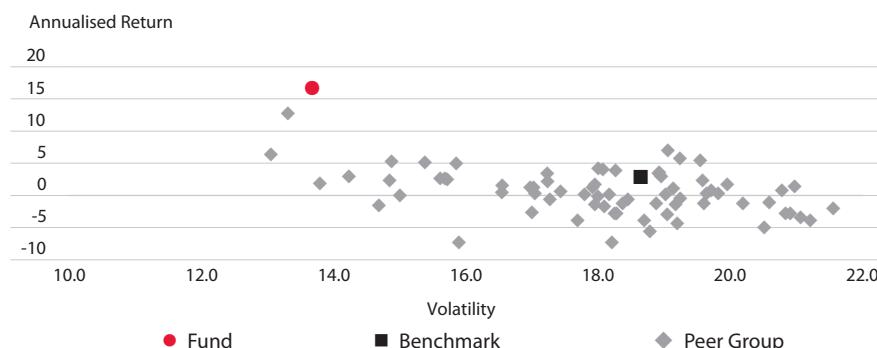
## Investment Process

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.



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 31.12.13

#### Fund Manager Commentary

Since May there has been a gradual de-rating of many of the classic equity income stocks as the market has rotated into more cyclical areas of the market. Many stocks have fallen 20 to 30% from their peaks and are looking much more attractive at these levels. An example of this is a new position called **Asia Pay Television Trust** which is a Singapore listed business trust that operates a cable TV business in Taiwan. Having fallen 25% since its listing in May, it offers a dividend yield of 12% which appears generous given the low risk nature of the business.

There were very few changes to the portfolio during December. We did exit our last casino holding, selling our position in casino operator **Grand Korea Leisure** which operates a casino in Korea catering to Japanese and Chinese gamblers. It has risen more than 40% this year and no longer offers enough upside to justify its inclusion in the fund.

All data as at 31.12.13. Source: Prusik Investment Management LLP, unless otherwise stated.

# Prusik Asian Equity Income Fund



## Top 5 Holdings (%)

Cheung Kong Holdings	6.6
HSBC Holdings	5.7
Hutchison Whampoa Ltd	5.7
Beijing Capital Intl	3.3
SK Telecom Co Ltd	3.2
Total Number of Holdings	44

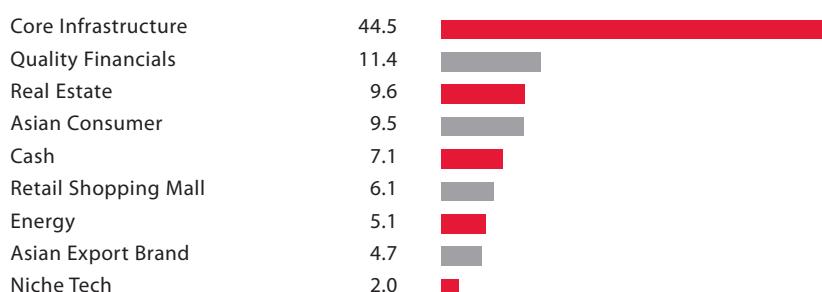
## Portfolio Financial Ratios

Predicted Price/Earnings Ratio	10.6x
Predicted Return on Equity (%)	14.7
Predicted Dividend Yield (%)	4.1

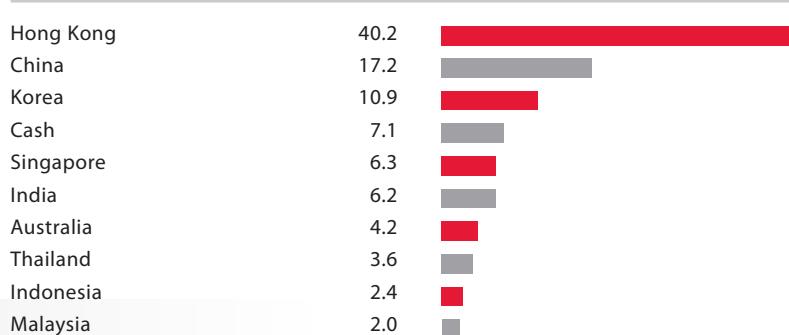
## Risk Metrics

Tracking Error (% pa)	6.6
Beta	0.80
Alpha	14.4
Volatility (%)	13.7
Sharpe ratio	1.22

## 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

**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	163.37
B USD	Unhedged	Distributing	B4QVD94	IE00B4QVD949	142.45
C GBP	Hedged	Distributing	B4Q6DB1	IE00B4Q6DB12	142.71
D SGD	Hedged	Distributing	B4NFJT1	IE00B4NFJT16	136.67

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	130.91
Y GBP	Hedged	Distributing	B4TRL17	IE00B4TRL175	131.38
Z SGD	Hedged	Distributing	B6WDYZ1	IE00B6WDYZ18	130.61

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	99.84

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

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