

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

29 February 2012

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 the 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)	45.5m
Launch Date	31 December 2010
Fund Manager	Tom Naughton
Fund Structure	UCITS III
Domicile	Dublin
Currencies	USD (base), GBP, SGD

Performance (%)

	B USD	C GBP	D SGD
1 Month	6.54	6.42	6.39
3 Month	17.26	16.85	16.41
Year to Date	15.19	14.75	14.60
Since Launch	10.63	10.62	6.89
2011	-3.96	-3.60	-6.73

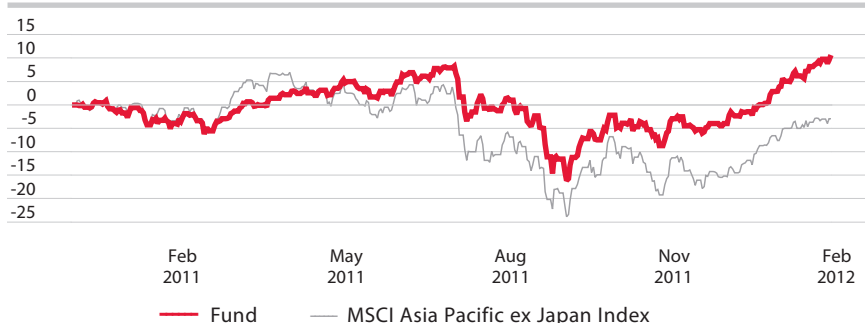
Source: Bloomberg.

¹Launch Date: B: 31.12.10, C: 21.01.11, D: 31.12.10

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 fund rose by 6.5% in February compared to a market rise of 5.3%. The biggest contributors to returns were **Bangkok Bank** (Thai Bank), **Merida** (Taiwan bike manufacturer) and **PCCW** (Hong Kong telecoms provider). The biggest detractors were **KT&G Corp** (Korean Tobacco company), **Kangwon Land** (Korean casino) and **Hite Jinro** (Korean brewery).

One of the new positions that was added to the fund last month was **Bangkok Bank**. The banking sector in Thailand has been de-rated due to fears that a government measure to add a levy on commercial deposits would pressure margins. At the time of purchase it was trading on a P/E ratio of 9.0x, a P/BK ratio of 1.1x and a dividend yield of 4.2%. Bangkok Bank is one of the most conservative banks in Thailand operating with a Tier 1 ratio of 12.2% and a loan/deposit ratio of 86.5%. It trades at a low valuation, both in absolute terms and relative to the sector, because the management is not considered to be as proactive as its major competitors. The risk/return trade off in this position is attractive as, in bull markets, the sector has traded up to 4.0x book value but, barring a crisis in Thailand, it is unlikely to trade at below book value. Although it has rallied sharply since the time of purchase, the potential upside from this point is still substantial.

All data as at 29.02.12. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Equity Income Fund



Top 5 Holdings (%)

Television Broadcasts	4.3
PCCW	4.2
Bangkok Bank Public	4.2
Merida Industry	4.0
Advantech Company	3.5
Total Number of Holdings	39

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	12.0x
Predicted Return on Equity (%)	22.0
Predicted Dividend Yield (%)	5.5

Thematic Breakdown (%)

Asian Consumer	35.5	
Core Infrastructure	26.1	
Real Estate Services	11.4	
Retail Shopping Mall	9.0	
Asian Export Brand	6.9	
Quality Financials	6.6	
Niche Tech	3.5	
Cash	1.0	

Geographical Breakdown (%)

Hong Kong/China	40.0	
Singapore	16.2	
Thailand	16.0	
Korea	8.1	
Taiwan	7.4	
Malaysia	6.4	
Philippines	4.9	
Cash	1.0	

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Management Fees

Annual Management Fee	1.0% p.a. Paid monthly in arrears
Performance Fee	
Class 1: None	

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	113.93
B USD Unhedged Distributing	B4QVD94	IE00B4QVD949	105.46
C GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	105.31
D SGD Hedged Distributing	B4NFJT1	IE00B4NFJT16	101.77

^{*}Class 1 will remain open to investors until the fund reaches USD50m. It will then soft close (to new investors) remaining open for current investors until the fund is USD100m. A new share class (Class 2) will be launched when Class 1 is approximately USD50m. This will carry a 1% AMC with a 10% performance fee, relative to the index.

Dividend Dates

Ex. Dividend: Interim 1 January, Final 1 July
Distribution: Interim 31 January, Final 31 July

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