

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

30 March 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)	55.9m
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	1.92	1.78	2.04
3 Month	17.40	16.80	16.93
Year to Date	17.40	16.80	16.93
Since Launch†	12.75	12.59	9.07
2011	-3.96	-3.60	-6.73

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

*Class 1 is closed to new investors.

Class 2	X USD	Y GBP	Z SGD
1 Month	-	-	-

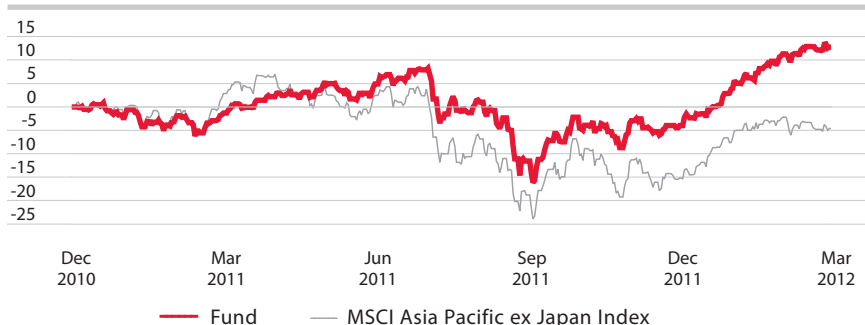
Launch Date: 30.03.12

Source: Bloomberg.

Investment Process

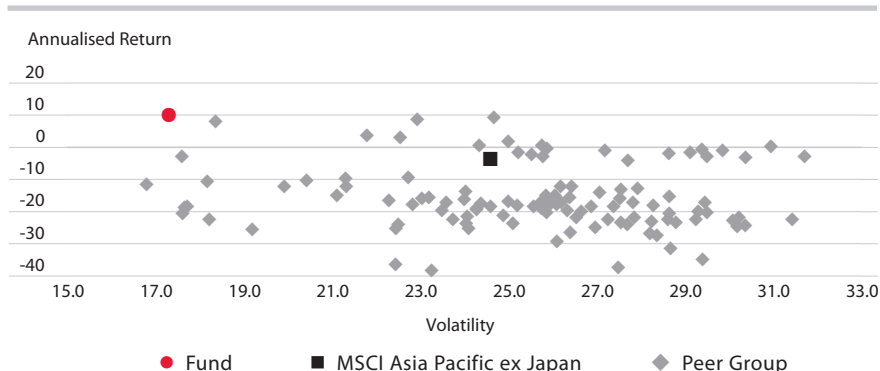
The process is both quantitative and qualitative with the latter dominating. The universe is screened for those high dividend stocks which have the greatest ability to sustain and grow their dividends over time. A particular emphasis is placed on identifying those companies with exceptional franchises, annuity like cash flows and pricing power which are trading at significant discounts to intrinsic value.

Fund Performance - Class B USD (%)



Source: Bloomberg. Total return net income reinvested. Since launch: 31.12.10

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 Index Fund), 31.12.10 to 30.03.12.

Fund Manager Commentary

The fund rose by 1.9% compared to a 3.0% fall in the market. The biggest contributors were **Nagacorp** (Cambodian casino), **Merida** (Taiwanese bicycle manufacturer) and **Wynn Macau** (Macau casino). The biggest detractors were **Anhui Expressway** (Chinese toll road), **Jiangsu Expressway** (Chinese toll road) and **Kangwon Land** (Korean casino). The reason for the strong relative performance is largely due to the fact that we had very few negative contributors – only 4 of our positions fell by more than 5% during the month and only China produced negative returns at the country level.

One new position we have added to the portfolio is **SK Telecom**, Korea's largest mobile phone operator. The stock has been very weak over the past several months as the management have bought a stake in Hynix, a Korean DRAM company. Although it is difficult to argue that this is an ideal use of free cash flow, the company has operated a stable dividend policy, distributing exactly KRW9, 400 per share over the past five years. At the current share price, that translates into a yield of 6.8%. What is even more appealing is the valuation. SK Telecom has a market capitalisation of US\$10bn and net debt of US\$2.7bn. Its investment holdings including Hynix total US\$5.2bn. Therefore the valuation of the core telecom business is US\$7.5bn for an operation generating US\$3.7bn of EBITDA – less than 2.0x EV/EBITDA. Given that Asian mobile operators trade at around 5-7x EV/EBITDA the valuation discount appears excessive and the dividend yield should support the stock at these levels.

All data as at 30.03.12. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Equity Income Fund



Top 5 Holdings (%)

PCCW	4.4
KT&G	4.2
Television Broadcasts	4.0
Merida Industry	3.4
Wynn Macau	3.4
Total Number of Holdings	40

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	11.9x
Predicted Return on Equity (%)	25.4
Predicted Dividend Yield (%)	5.5

Thematic Breakdown (%)

Asian Consumer	38.8	
Core Infrastructure	26.8	
Real Estate Services	10.1	
Quality Financials	8.5	
Retail Shopping Mall	5.4	
Asian Export Brand	5.2	
Niche Tech	2.9	
Cash	2.3	

Geographical Breakdown (%)

Hong Kong/China	38.4	
Singapore	16.8	
Thailand	13.8	
Korea	12.6	
Taiwan	6.3	
Malaysia	5.4	
Philippines	4.3	
Cash	2.3	

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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	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 is closed to new investors.

Class 2			Sedol	ISIN	Month-end NAV
X USD	Unhedged	Distributing	TBA	IE00B4PYCL99	100.00
Y GBP	Hedged	Distributing	TBA	IE00B4TRL175	100.00
Z SGD	Hedged	Distributing	TBA	IE00B6WDYZ18	100.00

Dividend Dates

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

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