

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

30 April 2011

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)	8.5m
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	3.90	3.35	3.74
3 Month	4.99	4.45	4.48
Year to Date	2.18	2.15	-0.01
Since Launch*	2.18	2.15	-0.01

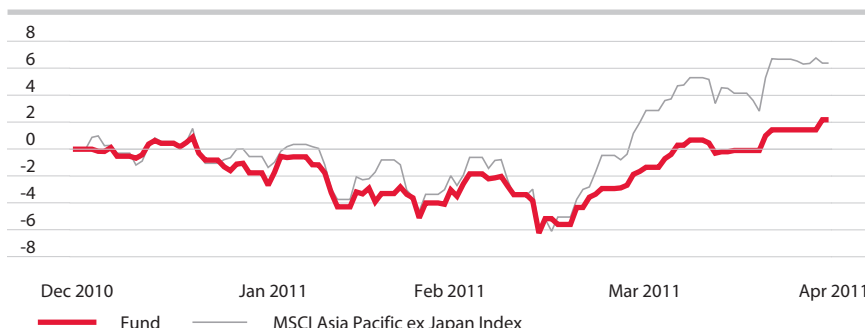
Source: Bloomberg.

*Launch Date: B: 31.12.10, C: 21.01.11, D: 04.01.11

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. Since launch: 31.12.10.

Fund Manager Commentary

The fund rose by 3.9% during April. Contributors included KT&G, Test Research and Major Cineplex. Detractors were Hui Xian REIT, Macquarie International Infrastructure Fund and Kangwon Land.

April was a month dominated by the continuing fall in the US dollar and strength in almost everything else from commodities to stocks to Asian currencies. Our portfolio kept pace with the rise in the markets but was hit on the last day by our decision to participate in the first ever Chinese Yuan issue listed on the Hong Kong market. Although Hui Xian REIT suffered a 10% fall on the first day of trading, we believe that an ungeared, fully taxed 5.2% dividend yield is attractive when the alternative is earnings 80bps in a bank account. Perhaps it was the failure of Hutch Ports or the general complexity of trading a RMB product that kept the retail investors away but we believe this will prove attractive once it is fully understood.

Test Research is an exceptional company in Taiwan offering a high dividend, high growth and exposure to the Chinese Automation sector, a key theme for Prusik. They produce automated inspection and testing systems for PCB assembly and IC packaging. These machines are used by EMS companies like Foxconn to monitor accurate assembly of manufactured products. The Automated X-Ray inspection system detects whether the solder paste used to attach the components to the printed circuit board has been applied correctly. Some of the functions that these products perform can be done by hand but as the cost of labour in China continues to rise rapidly, the use of mechanisation becomes increasingly important to perform tasks efficiently. The industry has been through some dramatic change as the previous market leader, Agilent, has exited the market allowing Test Research to target customers with faster and cheaper products than their competitors. The company is debt free, highly profitable with strong customer loyalty. Trading at 8x earnings and with a 6%+ dividend yield, it is an attractive investment, albeit cyclical, position.

We have also added another Chinese toll road operator to the portfolio, Anhui Expressway. The company expresses many of the positive fundamentals that attracted us to Jiangsu Expressway (EBITDA margins of 86%, exposed to growing car usage in China) but trades at an even more attractive valuation. At 8.9x 2011 earnings and with a 5.4% dividend yield it operates in the province just to the West of Jiangsu but, being inland, is a beneficiary of the "Go West" policy of the Chinese government to support growth outside the coastal regions. We believe that the market is underestimating the growth in revenues for the company this year and the potential for the company to profitably reinvest the 50% of earnings that it is retaining in new roads.

All data as at 30.04.11. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Equity Income Fund



Top 5 Holdings (%)

Anhui Expressway	4.9
Television Broadcasts	4.8
KT&G	4.6
Merida Industry	4.4
Jiangsu Express	4.4
Total Number of Holdings	33

Portfolio Financial Ratios

Price/Book Value	2.6x
Price/Earnings Ratio	14.1x
Predicted Price/Earnings Ratio	13.3x
Return on Equity (%)	21.1
Historic Dividend Yield (%)	4.5
Predicted Dividend Yield (%)	5.8

Thematic Breakdown (%)

Core Infrastructure	27.4	
Asian Consumer	25.0	
Real Estate Services	10.1	
Quality Financials	9.4	
Retail Shopping Malls	8.7	
Niche Technology	7.8	
Asian Export Brands	6.6	
Cash	4.9	

Geographical Breakdown (%)

Hong Kong/China	21.7	
Taiwan	16.2	
Singapore	14.9	
Australia	10.9	
Thailand	10.7	
Korea	8.6	
Malaysia	8.5	
Cash	4.9	
Philippines	3.5	

All data as at 30.04.11. Source: Prusik Investment Management LLP, unless otherwise stated.

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	Weekly, Friday
Min. Initial Subscription	USD 10,000
Min. Subsequent Subscription	USD 5,000
Subscription Notice	2 business days
Redemption Notice	2 business days

Share Class Details

Class 1 [*]	Sedol	ISIN	Month-end NAV
A USD Unhedged Non distributing	B4MK5Q6	IE00B4MK5Q67	105.26
B USD Unhedged Distributing	B4QVD94	IE00B4QVD949	102.18
C GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	102.15
D SGD Hedged Distributing	B4NFJT1	IE00B4NFJT16	99.99

^{*}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 end February, Final 31 August

This document is issued Prusik Investment Management LLP and is for private circulation and information purposes only. Prusik Investment Management LLP is authorised and regulated by the Financial Services Authority in the United Kingdom. The information contained in this document is strictly confidential and does not constitute investment advice, nor an offer or solicitation to buy or sell any securities and or derivatives or to make any investment decision and may not be reproduced, distributed or published by any recipient for any purpose without the prior written consent of Prusik Investment Management LLP.

The value of investments and any income generated may go down as well as up and is not guaranteed. You may not get back the amount originally invested. Past performance is not a guide to, or indicative of, future results. Changes in exchange rates may have an adverse effect on the value, price, or income of investments.

The information and opinions contained in this document are for background purposes only, and do not purport to be full or complete. Please refer to the fund prospectus for more detail. The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors and investors alike should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of shares under the laws of the jurisdictions in which they may be subject to tax. No representation, warranty, or undertaking, express or limited, is given as to the accuracy or completeness of the information or opinions contained in this document by any of Prusik Investment Management LLP, its partners or employees and no liability is accepted by such persons for the accuracy or completeness of any such information or opinions. As such, no reliance may be placed for any purpose on the information and opinions contained in this document.