

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 August 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)	23.7m
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	-6.06	-6.13	-5.81
3 Month	-3.30	-3.37	-3.24
Year to Date	1.37	1.44	-0.73
Since Launch*	1.37	1.44	-0.73

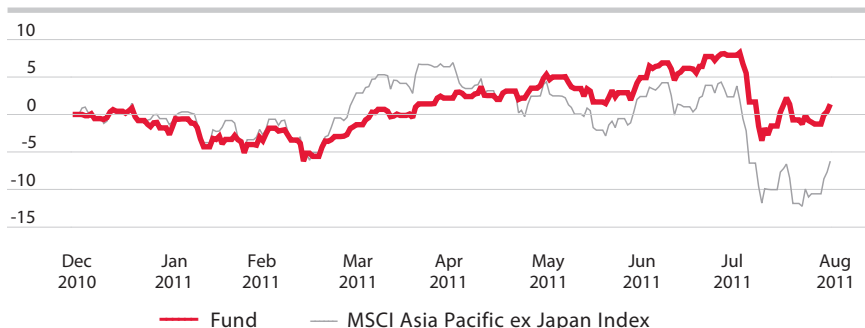
Source: Bloomberg.

*Launch 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 fell by 6.1% in August compared to an 8.4% fall in the market. The biggest contributors were Merida Industries, Ratchaburi Electric and Duet Group. The biggest detractors were Rural Electrification, HSBC and Texwinca.

As might be expected in a sell off like the one seen in August, utilities such as Ratchaburi (Thai independent power producer) and Duet (Australian gas and power utility) held up relatively well whereas financials including Rural Electrification (Indian power plant financing) and HSBC were hardest hit. Our move to increase financials in the portfolio was poorly timed but we remain of the view that high quality, well capitalised financial institutions with strong franchises are offering exceptional value at the moment. Although mindful of the risk that we might face a repeat of 2008, the risk versus reward in these stocks remains compelling, even assuming that we remain in a low return environment for many years to come. In Asia, which faces less of the constraints that Europe and the US do on credit growth, we think that this is a possible but unlikely scenario.

It is important to note that the portfolio is not particularly defensively positioned in our view. We own stocks that we think can sustain and grow their dividends in real terms over time and can be purchased at a sufficiently attractive price. We do not believe in overpaying for safety and are happy to buy stocks that are volatile or may not be popular in the market if we think that the risk adjusted return is attractive enough. An example of this is of course the banking sector where we believe the market is overestimating the risks to future cash flows. On the opposite end of the spectrum there are many popular consumer companies in India, Indonesia and China where we believe the current macroeconomic uncertainty has led investors to overpay for what are undoubtedly strong, but not risk free businesses.

All data as at 31.08.11. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Equity Income Fund



Top 5 Holdings (%)

Macquarie Int'l Infrastructure Fund	4.1
KT&G	4.0
Texwinca Holdings	3.5
Merida Industry	3.5
Manila Water Company	3.5

Total Number of Holdings	38
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Portfolio Financial Ratios

Price/Book Value	2.3x
Price/Earnings Ratio	11.8x
Predicted Price/Earnings Ratio	11.6x
Return on Equity (%)	19.2
Historic Dividend Yield (%)	5.4
Predicted Dividend Yield (%)	6.0

Thematic Breakdown (%)

Core infrastructure	29.9	
Asian consumer	23.8	
Quality Financials	14.5	
Niche Tech	7.3	
Retail shopping mall	7.1	
Real estate services	6.4	
Asian export brand	5.9	
Cash	5.1	

Geographical Breakdown (%)

Hong Kong/China	27.8	
Singapore	15.2	
Australia	12.3	
Taiwan	10.9	
Indonesia	9.3	
Malaysia	7.2	
Korea	7.1	
Cash	5.1	
Philippines	3.5	
Thailand	1.6	

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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	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	104.28
B USD Unhedged Distributing	B4QVD94	IE00B4QVD949	101.37
C GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	101.44
D SGD Hedged Distributing	B4NFJT1	IE00B4NFJT16	99.27

^{*}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

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