

# Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 May 2019

## 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 time. The fund aims to outperform the MSCI Asia Pacific ex-Japan index by 5-10% annually whilst growing its dividend over time.

### Fund Facts

Fund Size (USD)	880.3m
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

### Performance - Class B USD (%)

	Fund	Index
1 Month	-3.59	-6.94
3 Month	-1.23	-3.81
Year to Date	6.53	5.60
Since Launch	170.28	35.03
Annualised <sup>†</sup>	12.54	3.63

Source: Morningstar.

Launch Date: B: 31.12.10

<sup>†</sup>Since Launch Performance

### Investment Process

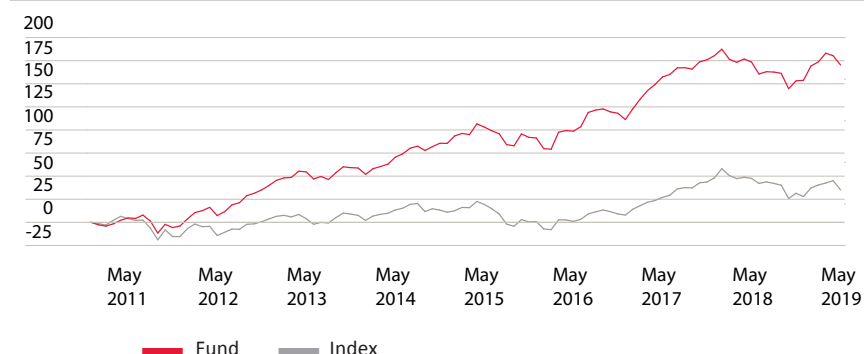
The process is both quantitative and qualitative with the latter dominating. The universe is screened for those high dividend stocks which have the greatest ability to sustain and grow their dividends over time. A particular emphasis is placed on identifying those companies with exceptional franchises,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

### Dividend Dates

Dividends paid twice annually (January and July)



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



Source: Morningstar. Total return net income reinvested.

### Fund Manager Commentary

We took advantage of the weaker markets in May to rotate money out of our safe "bond proxy" holdings into stocks that have slightly more cyclical but also significantly better risk/return potential. This resulted in us exiting **Macquarie Korea Infrastructure Fund**, reducing our position in **Transurban Group** and adding to existing positions across the board including **CK Assets**, **CK Hutchison**, **Sands China** and **Samsung Electronics**. Although the macro environment appears extremely challenging with the US/China trade war worsening and Chinese growth continuing to slow, we believe that valuations discount much of this bad news.

Although I am generally quite sceptical about the effectiveness of a simplistic value strategy in Asia, because most "cheap" stocks in Asia prove to be value traps, I can't deny that our portfolio does have a heavy value tilt at the moment. For example, 48% of our portfolio trades at below 10x forward earnings compared to 20% for the index. Likewise, 45% of our portfolio trades below book value compared to 19% for the index. And finally, because this is of course an equity income fund, I have to note that 44% of our portfolio yields more than 5% compared to 21% of the index.

All data as at 31.05.19. Source: Prusik Investment Management LLP, unless otherwise stated.

# Prusik Asian Equity Income Fund



## Top 5 Holdings (%)

CK Hutchison Holdings Ltd	6.4
Zhejiang Expressway	5.9
Samsung Electronics Co Ltd - Pref	5.6
Swire Pacific Ltd	5.4
Power Grid Corporation of India	5.2
Total Number of Holdings	29

## Portfolio Financial Ratios

Predicted Price/Earnings Ratio	10.5x
Predicted Dividend Yield (%)	5.5

## Risk Metrics

Tracking Error (% pa)	9.24
Beta	0.77
Alpha	8.97
Volatility (%)	13.45
Sharpe Ratio	1.34

## Thematic Breakdown (%)

Real Estate	18.6	
Communications Infrastructure	16.7	
Financials	13.8	
Transport Infrastructure	12.5	
Power Utilities	11.8	
Consumer	8.2	
Cheung Kong / Hutchison	6.4	
Cash	6.2	
Technology	5.6	

## Geographical Breakdown (%)

Hong Kong	31.5	
India	14.6	
China	11.1	
Australia	7.2	
Macau	7.0	
Cash	6.2	
Indonesia	6.0	
Korea	5.6	
Singapore	4.5	
Thailand	3.3	
Philippines	3.0	

All data as at 31.05.19. 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

Class 2 and Class U: 10% of the net out-performance of the MSCI Asia Pacific ex-Japan Index, 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	278.03
B USD Unhedged Distributing	B4QVD94	IE00B4QVD949	194.87
C GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	187.38
D SGD Hedged Distributing	B4NFJT1	IE00B4NFJT16	184.76

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	174.09
Y GBP Hedged Distributing	B4TRL17	IE00B4TRL175	167.81
Z SGD Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	171.42

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	174.36

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

This document is issued by Prusik Investment Management LLP and is for private circulation and information purposes only. Prusik Investment Management LLP is authorised and regulated by the Financial Conduct Authority in the United Kingdom and in the United States of America by the Securities and Exchange Commission as an Exempt Reporting Adviser. 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.