

# Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 July 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)	885.6m
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	-0.84	-1.26
3 Month	0.05	-2.22
Year to Date	10.55	10.95
Since Launch	180.48	41.88
Annualised <sup>†</sup>	12.77	4.16

Source: Morningstar.

Launch Date: B: 31.12.10

<sup>†</sup>Since Launch Performance

### Investment Process

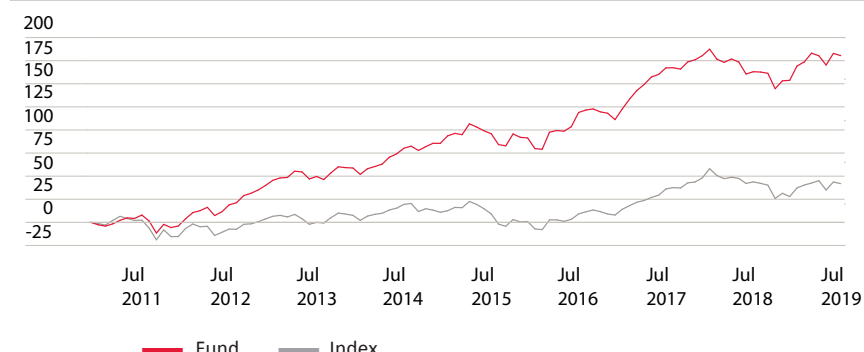
The process is both quantitative and qualitative with the latter dominating. The universe is screened for those high dividend stocks which have the greatest ability to sustain and grow their dividends over time. A particular emphasis is placed on identifying those companies with exceptional franchises, 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

At the end of last month, **SCentre Group** (Westfield Australia) sold some non-core office assets to Blackstone at what is estimated to be a 10-15% premium to NAV and announced a share buy-back (at a 20% discount to NAV).

We find it interesting that many institutional investors prefer to own real estate assets in private equity funds despite significantly higher fees as, according to one real estate fund manager, "...they view the volatility and the mark to market in REIT stocks as an anathema to long-term, real estate investing...". This appears to ignore the fact that the frequency of marking to market doesn't affect intrinsic valuation.

Blackstone will have the same underlying risk as **SCentre Group** however, private market investors are willing to pay 30% more than public market investors for the same assets in order to reduce the volatility of their investment returns.

We see the same pattern repeated across many of our portfolio positions which we believe would attract significantly higher valuations were they unlisted and indeed several of our portfolio holdings are conducting the same "arbitrage" as **SCentre Group** by selling assets to private investors and using the proceeds to either reinvest in the business or buy-back stock at a significant discount to intrinsic value.

All data as at 31.07.19. Source: Prusik Investment Management LLP, unless otherwise stated.

# Prusik Asian Equity Income Fund



## Top 5 Holdings (%)

CK Hutchison Holdings Ltd	6.4
Samsung Electronics Co Ltd	6.0
Power Grid Corporation of India	5.9
Zhejiang Expressway Co	5.5
Swire Pacific Ltd	5.0

Total Number of Holdings	29
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## Portfolio Financial Ratios

Predicted Price/Earnings Ratio	10.4x
Predicted Dividend Yield (%)	5.4

## Risk Metrics

Tracking Error (% pa)	9.22
Beta	0.76
Alpha	8.91
Volatility (%)	13.43
Sharpe Ratio	1.30

## Thematic Breakdown (%)

Real Estate	20.1	
Communications Infrastructure	17.6	
Financials	16.2	
Power Utilities	12.7	
Transport Infrastructure	9.6	
Consumer	7.5	
Cheung Kong / Hutchison	6.4	
Technology	6.0	
Cash	4.0	

## Geographical Breakdown (%)

Hong Kong	31.5	
India	15.1	
China	10.8	
Singapore	8.6	
Indonesia	6.1	
Macau	6.0	
Korea	6.0	
Australia	5.0	
Cash	4.0	
Thailand	3.7	
Philippines	3.0	

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## 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	288.53
B USD Unhedged Distributing	B4QVD94	IE00B4QVD949	196.86
C GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	188.42
D SGD Hedged Distributing	B4NFJT1	IE00B4NFJT16	186.41

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	175.87
Y GBP Hedged Distributing	B4TRL17	IE00B4TRL175	168.77
Z SGD Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	172.95

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	182.11

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

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