

Prusik Asian Equity Income Fund

LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA



31 January 2020

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 AC Asia Pacific Ex Japan Gross Return Index (USD) by 5-10% annually whilst growing its dividend over time.

Fund Facts

Fund Size (USD)	822.1m
Launch Date	31 December 2010
Fund Manager	Tom Naughton
Fund Structure	UCITS III
Domicile	Dublin
Currencies	USD (base), GBP, SGD
Index	MSCI AC Asia Pacific Ex Japan Gross Return Index (USD)

Performance - Class B USD (%)

	Fund	Index
1 Month	-4.88	-3.70
3 Month	-2.46	2.36
Year to Date	-4.88	-3.70
Since Launch	168.50	47.14
Annualised [†]	11.49	4.34

Source: Morningstar.

Launch Date: B: 31.12.10

[†]Since Launch Performance

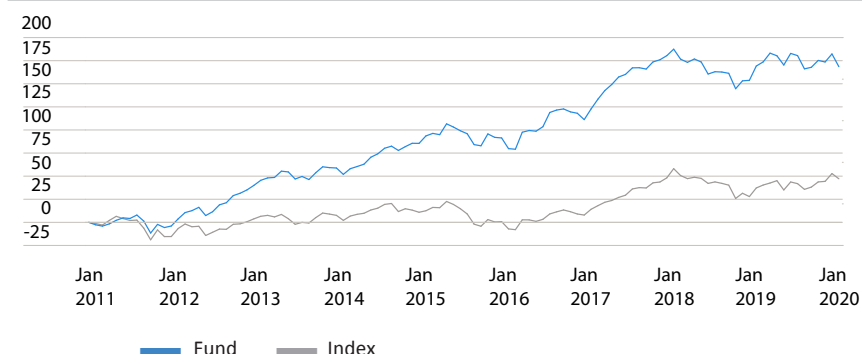
Investment Process

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

My approach to thinking about the investment implications of a health scare such as Coronavirus is, unsurprisingly for those who have been reading my notes for a while, to think about it in terms of probabilities. Simplistically, there is a high probability that the impact of the virus is temporary and a low probability that the impact is long lasting so, even though it increases tail risk, it has a relatively small impact on intrinsic valuations if we assume it follows the pattern of similar scares.

This leads to opportunities as many market participants place a much higher probability on the likelihood that earnings will remain depressed forever and so we have been able to add to positions such as **Sands China**, **Wynn Macau** and **Samsonite** at what we believe to be very attractive prices. Although it is very possible that, in the short-term, the situation may well continue to deteriorate, our focus is on understanding how this affects fundamentals in 2021 and beyond rather than worrying about the next quarter's earnings report.

All data as at 31.01.20. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Equity Income Fund



Top 5 Holdings (%)

Samsung Electronics Co Ltd - Pref	7.0
CK Hutchison Holdings Ltd	6.5
Power Grid Corporation of India	6.4
Zhejiang Expressway Co	5.0
CK Asset Holdings Ltd	4.9
Total Number of Holdings	29

Portfolio Financial Ratios

Price/Earnings Ratio	9.9x
Predicted Dividend Yield (%)	5.8

Risk Metrics

Tracking Error (% pa)	9.12
Beta	0.77
Alpha	7.61
Volatility (%)	13.49
Sharpe Ratio	1.17

Thematic Breakdown (%)

Consumer	18.9	
Real Estate	17.9	
Communications Infrastructure	16.7	
Financials	13.2	
Power Utilities	12.0	
Technology	7.0	
Transport Infrastructure	6.9	
Cheung Kong / Hutchison	6.5	
Cash	1.0	

Geographical Breakdown (%)

Hong Kong	34.4	
India	12.8	
China	10.5	
Singapore	9.6	
Macau	7.4	
Korea	7.0	
Indonesia	6.0	
Thailand	4.6	
Australia	4.5	
Philippines	2.3	
Cash	1.0	

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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 AC Asia Pacific Ex Japan Gross Return Index (USD), 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	276.21
B USD Unhedged Distributing	B4QVD94	IE00B4QVD949	185.52
C GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	175.89
D SGD Hedged Distributing	B4NFJT1	IE00B4NFJT16	175.01

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	165.73
Y GBP Hedged Distributing	B4TRL17	IE00B4TRL175	157.64
Z SGD Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	162.37

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	159.38

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

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