

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

30 November 2018

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)	866.2m
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	3.49	4.46
3 Month	-3.62	-7.53
Year to Date	-9.71	-11.25
Since Launch	153.19	31.48
Annualised [†]	12.45	3.52

Source: Morningstar.

Launch Date: B: 31.12.10

[†]Since Launch Performance

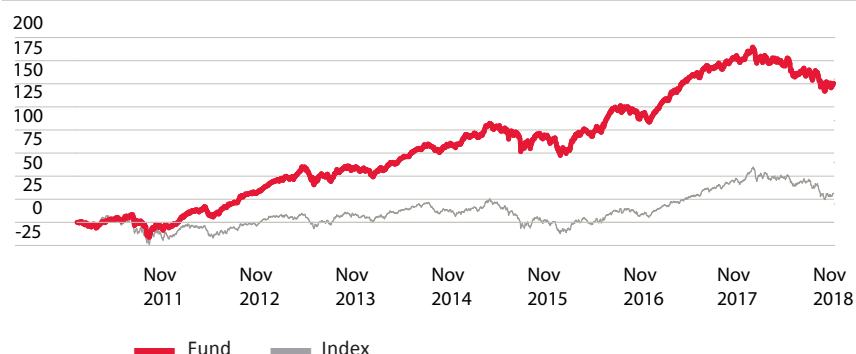
Investment Process

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

During November, we continued to add to the "value" positions in our portfolio (including **First Pacific**, **Wynn Macau** and **CK Assets**) and reduce our holdings in more defensive holdings with lower upside potential (**Macquarie Korea Infrastructure Fund** and **Contact Energy**). In addition, we bought back into **Fortune REIT** following a pull-back in the stock and a positive meeting with management in Hong Kong. We remain of the view that the market is too pessimistic on Asia (and in particular China) and the valuation of our portfolio, on 10x P/E multiple, suggests a substantial contraction in earnings which appears unlikely (though of course not impossible). Although it is possible that China does have a hard landing or a banking crisis, we believe that using this as a "base case" for valuing Asian stocks is too conservative.

Although we have been adding to stocks with more cyclicalilty lately, it is important to put the changes in the portfolio during the last 2 months in perspective. We typically invest 70-90% of our portfolio in what might be termed as "traditional" defensive stocks such as infrastructure and consumer stocks but have always had around 10-30% of the portfolio in stocks that have excellent risk/reward potential but don't meet our strict criteria with regards to cyclicalilty, franchise value, management quality or balance sheet strength.

We tend to describe these positions as "Special Situations" and these currently include stocks such as **Swire Pacific**, **Samsung Electronics preferred shares**, **CNOOC**, **RIO** and **BHP**. Although these stocks wouldn't be regarded by most investors as particularly risky, we do view them as having cyclicalilty that is substantially higher than our typical holding and therefore, we constrain how large they can be as a percentage of the portfolio. Currently they comprise 25% of the portfolio and we don't expect that ratio to rise above 30% in the foreseeable future.

All data as at 30.11.18. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Equity Income Fund



Top 5 Holdings (%)

CK Hutchison Holdings Ltd	6.3
Samsung Electronics Co Ltd	5.2
Zhejiang Expressway	4.8
Power Grid Corporation of India	4.7
Swire Pacific Ltd	4.6

Total Number of Holdings	34
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Portfolio Financial Ratios

Predicted Price/Earnings Ratio	9.9x
Predicted Return on Equity (%)	26.9
Predicted Dividend Yield (%)	5.6

Risk Metrics

Tracking Error (% pa)	9.31
Beta	0.77
Alpha	9.11
Volatility (%)	13.52
Sharpe Ratio	1.28

Thematic Breakdown (%)

Transport Infrastructure	21.3	<div></div>
Communications Infrastructure	16.4	<div></div>
Real Estate	13.9	<div></div>
Financials	11.5	<div></div>
Power Utilities	11.4	<div></div>
Energy	8.5	<div></div>
Cheung Kong / Hutchison	6.3	<div></div>
Technology	5.2	<div></div>
Consumer	4.6	<div></div>
Cash	0.7	<div></div>

Geographical Breakdown (%)

Hong Kong	38.6	<div></div>
Australia	13.7	<div></div>
China	11.4	<div></div>
India	10.9	<div></div>
Korea	8.9	<div></div>
Indonesia	5.4	<div></div>
Thailand	4.3	<div></div>
Singapore	3.1	<div></div>
Philippines	3.1	<div></div>
Cash	0.7	<div></div>

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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	260.45
B USD Unhedged Distributing	B4QVD94	IE00B4QVD949	186.18
C GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	181.18
D SGD Hedged Distributing	B4NFJT1	IE00B4NFJT16	177.45

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	166.32
Y GBP Hedged Distributing	B4TRL17	IE00B4TRL175	162.52
Z SGD Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	164.63

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	164.25

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

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