

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

PRUSIK

31 October 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)	836.5m
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	-6.38	-10.26
3 Month	-7.00	-12.45
Year to Date	-12.76	-15.04
Since Launch	144.64	25.86
Annualised [†]	12.10	2.98

Source: Morningstar.

Launch Date: B: 31.12.10

[†]Since Launch Performance

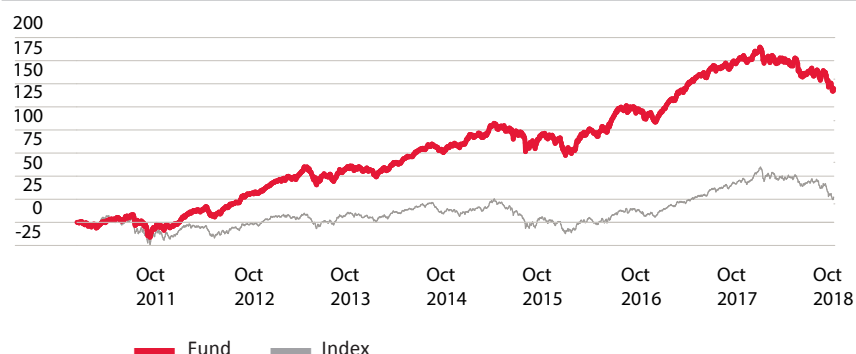
Investment Process

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

October was a busy month for the fund as we took advantage of the volatile and fearful markets to reduce the cash position from 8% to 0%. In general, this money was invested in stocks that we consider to be "special situations". In other words, companies with good businesses but also some degree of economic cyclicality. In general, we tend to avoid cyclicality wherever possible but, at times of severe market stress, the valuations on offer become so appealing that we believe these companies present good value even in a poor economic environment. These stocks included **BHP, Rio Tinto, Wynn Macau, CK Assets and Sun Hung Kai Properties**.

At the same time, we have been reducing exposure to "bond proxy" stocks that have very stable earnings but which offer less potential upside. These stocks included several of our holdings in the telecom sector namely **Hong Kong Telecom** and **Digital Telecommunications**.

Although we don't have the ability to forecast what will happen to the economy going forward, we believe that the stocks we are buying are discounting an extremely negative scenario and offer attractive dividend yields, supported by cash flow producing assets with high barriers to entry.

All data as at 31.10.18. Source: Prusik Investment Management LLP, unless otherwise stated.

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Top 5 Holdings (%)

CK Hutchison Holdings Ltd	6.3
Samsung Electronics Co Ltd	5.6
Beijing Capital International Airport	5.2
Zhejiang Expressway	5.0
Power Grid Corporation of India	4.8
Total Number of Holdings	34

Portfolio Financial Ratios

Predicted Price/Earnings Ratio	9.9x
Predicted Return on Equity (%)	24.6
Predicted Dividend Yield (%)	5.6

Risk Metrics

Tracking Error (% pa)	9.33
Beta	0.77
Alpha	9.20
Volatility (%)	13.47
Sharpe Ratio	1.25

Thematic Breakdown (%)

Transport Infrastructure	24.2	
Communications Infrastructure	15.4	
Power Utilities	12.4	
Real Estate	11.8	
Financials	11.1	
Energy	8.5	
Cheung Kong / Hutchison	6.3	
Technology	5.6	
Consumer	3.8	
Cash	0.9	

Geographical Breakdown (%)

Hong Kong	34.8	
China	13.9	
Australia	13.6	
India	11.3	
Korea	9.4	
Indonesia	4.8	
Thailand	4.3	
Philippines	3.2	
Singapore	3.0	
Cash	0.9	
New Zealand	0.8	

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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	251.66
B USD Unhedged Distributing	B4QVD94	IE00B4QVD949	179.90
C GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	175.45
D SGD Hedged Distributing	B4NFJT1	IE00B4NFJT16	171.65

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	160.71
Y GBP Hedged Distributing	B4TRL17	IE00B4TRL175	157.37
Z SGD Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	159.26

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	158.90

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

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