

Prusik Asian Equity Income Fund

LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA



29 May 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)	669.8m
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	-2.62	-0.31
3 Month	-12.33	-5.86
Year to Date	-21.31	-13.17
Since Launch	122.13	32.67
Annualised†	8.85	3.05

Source: Morningstar.

Launch Date: B: 31.12.10

†Since Launch Performance

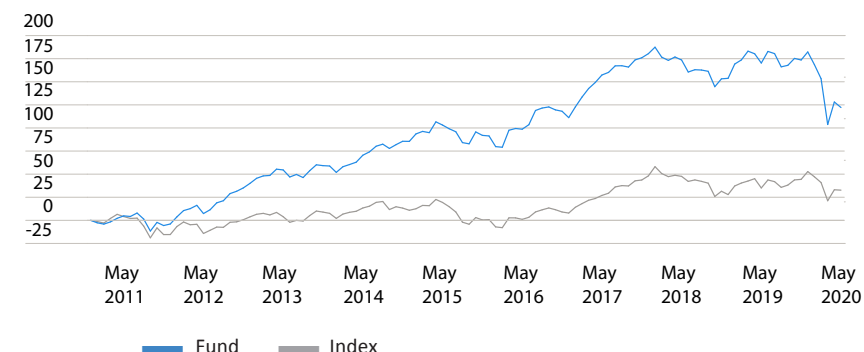
Investment Process

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

This month, China announced that its National People's Congress had approved a decision to establish a national security law in Hong Kong. As a result of this decision, the US announced that it would revoke Hong Kong's special status. Although it is not yet clear whether China has the legal right to implement this rule, it seems likely that it will take effect and the market fell as a result of concern that this means it is "the end of Hong Kong". I first remember hearing about Hong Kong's demise in 1996 when popular opinion was that after Hong Kong became part of China, companies would flee, the financial markets would be moved to Shanghai and the Hong Kong dollar peg would collapse. Various iterations of this theory have been postulated ever since but Hong Kong has proven remarkably difficult to kill off. My view is that although it is very likely that Hong Kong's freedoms will be curtailed and it will clearly lose some of its appeal, it remains essential to China – as can be seen by the flood of Chinese companies seeking to move their stock exchange listing from US to Hong Kong (and not Shanghai). This means that although the civil unrest may well escalate as a result of this move, the long term prospect of Hong Kong's place as the financial and services centre of the "Greater Bay Area", are arguably improved by a greater degree of control by China. With valuations of blue-chip stocks such as **Swire Pacific** trading at an 80% discount to book value, the upside potential is extremely high relative to the downside risk.

All data as at 29.05.20. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Equity Income Fund



Top 5 Holdings (%)

Samsung Electronics Co Ltd - Pref	6.7
CK Hutchison Holdings Ltd	5.7
Power Grid Corporation of India	5.6
ITC Ltd	5.4
CK Asset Holdings Ltd	5.0
Total Number of Holdings	38

Portfolio Financial Ratios

Price/Earnings Ratio	9.9x
Predicted Dividend Yield (%)	6.1

Risk Metrics

Tracking Error (% pa)	9.41
Beta	0.84
Alpha	6.10
Volatility (%)	15.72
Sharpe Ratio	0.80

Thematic Breakdown (%)

Real Estate	20.5	
Communications Infrastructure	18.8	
Consumer	17.8	
Power Utilities	10.3	
Technology	9.1	
Transport Infrastructure	8.1	
Financials	8.0	
Cheung Kong / Hutchison	5.7	
Cash	1.8	

Geographical Breakdown (%)

Hong Kong	27.0	
India	16.1	
China	9.5	
Indonesia	8.8	
Korea	8.7	
Singapore	7.5	
Macau	6.6	
Australia	5.1	
Thailand	4.2	
Philippines	3.8	
Cash	1.8	
Malaysia	0.9	

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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.

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	228.51
B USD Unhedged Distributing	B4QVD94	IE00B4QVD949	153.48
C GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	142.37
D SGD Hedged Distributing	B4NFJT1	IE00B4NFJT16	143.57

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	137.11
Y GBP Hedged Distributing	B4TRL17	IE00B4TRL175	127.75
Z SGD Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	133.20

Class 2 shares are open to current investors only and were 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	140.44

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

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