

Prusik Asian Equity Income Fund

LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA



31 July 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)	671.5m
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	0.84	7.96
3 Month	2.78	16.50
Year to Date	-16.94	1.47
Since Launch	134.46	55.03
Annualised [†]	9.30	4.68

Source: Morningstar.

Launch Date: B: 31.12.10

[†]Since Launch Performance

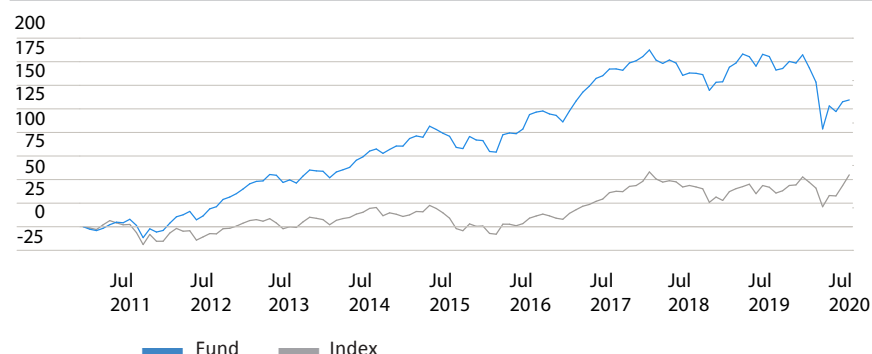
Investment Process

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

The valuation differential between “physical” and “virtual” companies in Asia continued to widen in July with the technology sector rallying 18% compared to the real estate sector which only managed a 1% gain. We added several new positions to the portfolio including **Dairy Farm** (Supermarkets and convenience stores), **Petronet LNG** (LNG terminal operator in India) and **Mindspace Business Parks REIT** (Indian Business Parks IPO).

In turn, we exited several positions including **Sarana Menara Nusantara** (Indonesian mobile towers) which had reached our price target and **Travelsky Technology** (China GDS operator), which we believed was no longer attractive given the uncertainty about the pace of Chinese airline travel.

Petronet LNG has an attractive, non-cyclical, annuity like business operating LNG terminals in India. The company generates most of its profits by charging a “regasification” fee and, because the majority of their customers sign long-term take or pay agreements, earnings volatility is very low. Annual pricing escalation clauses provide protection from inflation and there is the opportunity to grow the business by expanding their existing terminals as well as adding new ones. It offers a 5% dividend yield and trades at a 25-30% discount to our conservative assessment of intrinsic value.

All data as at 31.07.20. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Equity Income Fund



Top 5 Holdings (%)

Samsung Electronics Co Ltd - Pref	7.2
Power Grid Corporation of India Ltd	6.4
CK Hutchison Holdings Ltd	6.1
ITC Ltd	5.4
CK Asset Holdings Ltd	5.0

Total Number of Holdings	41
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Portfolio Financial Ratios

Price/Earnings Ratio	9.7x
Predicted Dividend Yield (%)	6.0

Risk Metrics

Tracking Error (% pa)	9.51
Beta	0.81
Alpha	5.29
Volatility (%)	15.87
Sharpe Ratio	0.83

Thematic Breakdown (%)

Consumer	20.5	
Real Estate	18.6	
Communications Infrastructure	15.0	
Power Utilities	11.8	
Transport Infrastructure	10.9	
Technology	9.6	
Financials	7.2	
Cheung Kong / Hutchison	6.1	
Cash	0.4	

Geographical Breakdown (%)

Hong Kong	32.9	
India	20.3	
Korea	9.2	
China	6.8	
Macau	6.4	
Indonesia	5.8	
Singapore	5.1	
Philippines	4.0	
Thailand	3.1	
Australia	3.1	
Vietnam	1.9	
Malaysia	1.1	
Cash	0.4	

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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	241.19
B USD Unhedged Distributing	B4QVD94	IE00B4QVD949	157.42
C GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	145.64
D SGD Hedged Distributing	B4NFJT1	IE00B4NFJT16	147.11

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	140.63
Y GBP Hedged Distributing	B4TRL17	IE00B4TRL175	130.70
Z SGD Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	136.48

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	134.85

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

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