

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

31 August 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)	675.0m
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	2.76	3.84
3 Month	8.46	21.35
Year to Date	-14.65	5.37
Since Launch	140.94	60.99
Annualised†	9.52	5.05

Source: Morningstar.

Launch Date: B: 31.12.10

†Since Launch Performance

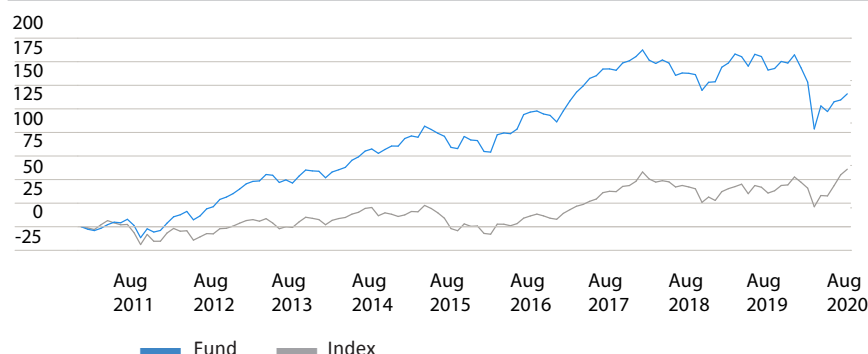
Investment Process

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

During August, we added to two existing positions which we believe trade at extremely distressed valuations despite low risk businesses and strong cash flows. **Swire Pacific**, (voting shares), trade at just 20% of book value and offer a forward dividend yield of 5.6% supported by a strong balance sheet. Although the first half results were hit by write-downs at their oil services subsidiary, cash flow increased year-on-year and Swire Properties, (90% of valuation), increased its dividend highlighting the resilience of their assets.

First Pacific is a Hong Kong conglomerate, however, virtually all its businesses are based in Indonesia and the Philippines where it owns controlling stakes in three of the largest businesses there (PLDT, Indofood and Metro Pacific). All three of these businesses are involved in either consumer or infrastructure sectors and therefore are relatively non-cyclical and they all have dominant market positions. First-half results were above expectations and the company increased the dividend but, despite this, the shares trade on just 3.5x P/E and offer a 7% dividend yield. The stock trades at HK\$2/share compared to underlying assets which we believe are worth more than HK\$10/share.

All data as at 31.08.20. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Equity Income Fund



Top 5 Holdings (%)

Samsung Electronics Co Ltd - Pref	6.6
Power Grid Corporation of India Ltd	6.5
CK Hutchison Holdings Ltd	6.1
ITC Ltd	5.4
CK Asset Holdings Ltd	4.8

Total Number of Holdings	39
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Portfolio Financial Ratios

Price/Earnings Ratio	9.8x
Predicted Dividend Yield (%)	5.9

Risk Metrics

Tracking Error (% pa)	9.53
Beta	0.81
Alpha	5.22
Volatility (%)	15.84
Sharpe Ratio	0.86

Thematic Breakdown (%)

Consumer	21.0	
Real Estate	18.1	
Communications Infrastructure	14.9	
Power Utilities	12.8	
Transport Infrastructure	10.2	
Financials	8.9	
Technology	6.6	
Cheung Kong / Hutchison	6.1	
Cash	1.4	

Geographical Breakdown (%)

Hong Kong	34.7	
India	18.7	
Korea	8.7	
Macau	6.6	
China	6.2	
Singapore	5.1	
Indonesia	4.9	
Philippines	4.0	
Thailand	3.8	
Australia	2.6	
Vietnam	2.1	
Cash	1.4	
Malaysia	1.1	

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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	247.85
B	USD Unhedged Distributing	B4QVD94	IE00B4QVD949	161.77
C	GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	149.56
D	SGD Hedged Distributing	B4NFTJ1	IE00B4NFTJ16	151.11

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	144.52
Y	GBP Hedged Distributing	B4TRL17	IE00B4TRL175	134.22
Z	SGD Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	140.19

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	136.73

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

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