

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

30 October 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)	618.4m
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	0.01	2.41
3 Month	-2.28	3.93
Year to Date	-18.83	5.46
Since Launch	129.12	61.13
Annualised†	8.80	4.97

Source: Morningstar.

Launch Date: B: 31.12.10

†Since Launch Performance

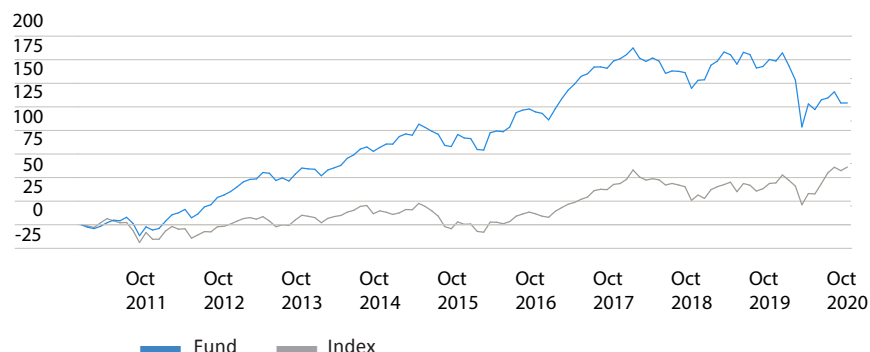
Investment Process

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 recovery in economic momentum, together with a large spread between the cost of debt versus equity, means that M&A activity is starting to pick up. For example, according to press reports, **CK Hutchison** is in advanced talks to sell its European Tower portfolio for 9bn Euros (compared to **CK Hutch's** market cap of 20bn Euros). This is for a business that produces around 5% of total profits. Swire Properties is selling a non-core office property to a private equity buyer at a premium to book value and an estimated cap rate of less than 3%. At the same time, **Swire Pacific** trades at an 80% discount to book value.

What is causing this dislocation between stock prices and intrinsic value? It might be because these stocks do not have sufficient excitement or momentum to appeal to today's crop of investors. As an illustration of what stage of the market cycle we are at, the upcoming Ant Group IPO attracted US\$3trillion of bids. According to Bloomberg, Chen Wu, a 35-year-old software developer, was among those scrambling for a piece of Ant's offering this week. His brokerage allowed a small number of clients to supercharge their bets using 33 times leverage, handing out allocations on a first-come, first-served basis.

"When it was released at noon, I refreshed my page again and again, clicked and clicked" Wu said on Tuesday after securing a HK\$5.7 million (\$735,322) block of Ant shares, equivalent to more than 80% of his existing equity portfolio.

All data as at 30.10.20. Source: Prusik Investment Management LLP, unless otherwise stated.

Prusik Asian Equity Income Fund



Top 5 Holdings (%)

Power Grid Corporation of India Ltd	6.6
CK Hutchison Holdings Ltd	6.1
ITC Ltd	5.0
Samsung Electronics Co Ltd - Pref	4.6
AIA Group Ltd	4.6
Total Number of Holdings	40

Portfolio Financial Ratios

Price/Earnings Ratio	8.8x
Predicted Dividend Yield (%)	6.1

Risk Metrics

Tracking Error (% pa)	9.53
Beta	0.81
Alpha	4.61
Volatility (%)	15.79
Sharpe Ratio	0.80

Thematic Breakdown (%)

Consumer	24.7	
Power Utilities & Energy	16.8	
Real Estate	16.3	
Communications Infrastructure	14.9	
Transport Infrastructure	10.8	
Financials	10.5	
Technology	4.6	
Cash	1.1	

Geographical Breakdown (%)

Hong Kong	37.0	
India	18.9	
Singapore	8.4	
Korea	7.0	
China	6.5	
Indonesia	5.8	
Macau	4.3	
Thailand	3.3	
Philippines	3.3	
Vietnam	2.5	
Malaysia	1.2	
Cash	1.1	
Australia	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 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	235.69
B USD Unhedged Distributing	B4QVD94	IE00B4QVD949	153.83
C GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	142.06
D SGD Hedged Distributing	B4NEJT1	IE00B4NEJT16	143.55

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	137.43
Y GBP Hedged Distributing	B4TRL17	IE00B4TRL175	127.48
Z SGD Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	133.18

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	133.40

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

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