

# Prusik Asian Equity Income Fund

LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA



31 March 2021

## 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)	713.4m
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	0.03	-2.08
3 Month	7.89	2.77
Year to Date	7.89	2.77
2020	-4.96	22.75
Since Launch	189.46	92.74
Annualised†	10.93	6.61

Source: Morningstar.

Launch Date: B: 31.12.10

†Since Launch Performance

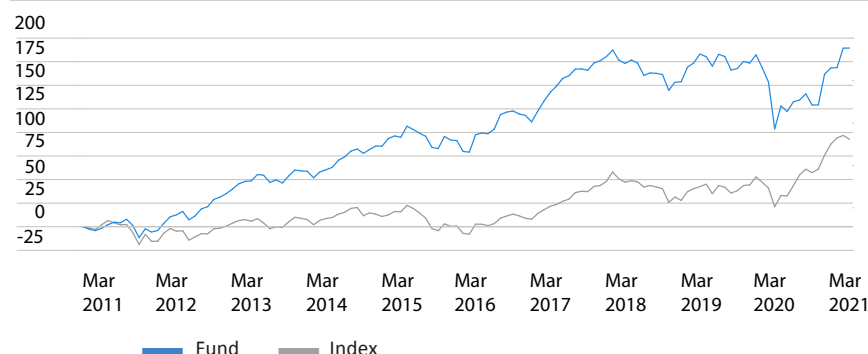
### Investment Process

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

There have been two themes that are worth noting when analysing the 2020 results season for our holdings. The first is that, in general, dividends have proved more resilient than expected – even for companies that have experienced tough operating conditions during the past year. For example, **CK Assets** cut the interim dividend by 35% in August 2020 but reduced the final dividend for 2020 by just 8%, suggesting greater confidence in the recovery. At the portfolio level, this has contributed to a 4% increase in dividend estimates for the next 12 months compared to an increase of 1% for the index.

The second theme is that several companies are announcing share buybacks in order to take advantage of the dislocation between stock prices and intrinsic value which has opened up in the last year. For example, **First Pacific**, as well as increasing its full year dividend by 7%, announced that it will buy back 7% of its shares outstanding. Because the stock is on a P/E ratio of less than 4x and trades at only 23% of our estimate of intrinsic value, this implies a significant transfer from selling shareholders to those that remain.

Performance has been strong this quarter driven almost entirely by stock selection in Hong Kong. Our portfolio has stronger fundamentals, better earnings momentum and a higher dividend yield than the market, yet it still trades at a 40%+ P/E discount to the index. We do not believe this discount is justified on a fundamental basis.

All data as at 31.03.21. Source: Prusik Investment Management LLP, unless otherwise stated.

Signatory of:



# Prusik Asian Equity Income Fund



## Top 5 Holdings (%)

CK Hutchison Holdings Ltd	7.0
Power Grid Corporation of India Ltd	5.9
China Mobile Ltd	5.5
Zhejiang Expressway Co	5.2
CK Asset Holdings Ltd	5.1
Total Number of Holdings	37

## Portfolio Financial Ratios

Price/Earnings Ratio	9.6x
Predicted Dividend Yield (%)	6.0

## Risk Metrics

Tracking Error (% pa)	9.99
Beta	0.82
Alpha	5.29
Volatility (%)	15.89
Sharpe Ratio	0.97

## Thematic Breakdown (%)

Consumer	24.3	
Communications Infrastructure	21.9	
Real Estate	19.0	
Power Utilities & Energy	18.8	
Transport Infrastructure	12.6	
Financials	2.5	
Cash	0.9	

## Geographical Breakdown (%)

Hong Kong	33.1	
India	20.5	
China	16.6	
Indonesia	6.3	
Korea	4.4	
Macau	4.1	
Singapore	3.2	
Thailand	2.9	
Philippines	2.7	
Vietnam	2.0	
Australia	1.8	
Malaysia	1.5	
Cash	0.9	

All data as at 31.03.21. Source: Prusik Investment Management LLP, unless otherwise stated.

## 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 annually.

## 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	297.77
B USD Unhedged Distributing	B4QVD94	IE00B4QVD949	190.76
C GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	175.68
D SGD Hedged Distributing	B4NFJT1	IE00B4NFJT16	177.83

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	170.41
Y GBP Hedged Distributing	B4TRL17	IE00B4TRL175	157.63
Z SGD Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	164.98

Performance fee based on individual investor's holding.

Class U	Sedol	ISIN	Month-end NAV
U GBP Unhedged Distributing	BBP6LK6	IE00BBP6LK66	155.76

Performance fee based on fund performance as a whole.

This document is issued by Prusik Investment Management LLP and is for private circulation and information purposes only. Prusik Investment Management LLP is authorised and regulated by the Financial Conduct Authority in the United Kingdom and in the United States of America has Exempt Reporting Advisor status with the Securities and Exchange Commission. The information contained in this document is strictly confidential and does not constitute investment advice, nor an offer or solicitation to buy or sell any securities and or derivatives or to make any investment decision and may not be reproduced, distributed or published by any recipient for any purpose without the prior written consent of Prusik Investment Management LLP.

The value of investments and any income generated may go down as well as up and is not guaranteed. You may not get back the amount originally invested. Past performance is not a guide to, or indicative of, future results. Changes in exchange rates may have an adverse effect on the value, price, or income of investments.

The information and opinions contained in this document are for background purposes only, and do not purport to be full or complete. Please refer to the fund prospectus for more detail. The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors and investors alike should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of shares under the laws of the jurisdictions in which they may be subject to tax. No representation, warranty, or undertaking, express or limited, is given as to the accuracy or completeness of the information or opinions contained in this document by any of Prusik Investment Management LLP, its partners or employees and no liability is accepted by such persons for the accuracy or completeness of any such information or opinions. As such, no reliance may be placed for any purpose on the information and opinions contained in this document.