

Prusik Asian Equity Income Fund

LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA



30 April 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)	748.8m
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	2.26	2.83
3 Month	10.15	2.07
Year to Date	10.34	5.68
2020	-4.96	22.75
Since Launch	196.01	98.20
Annualised†	11.08	6.85

Source: Morningstar.

Launch Date: B: 31.12.10

†Since Launch Performance

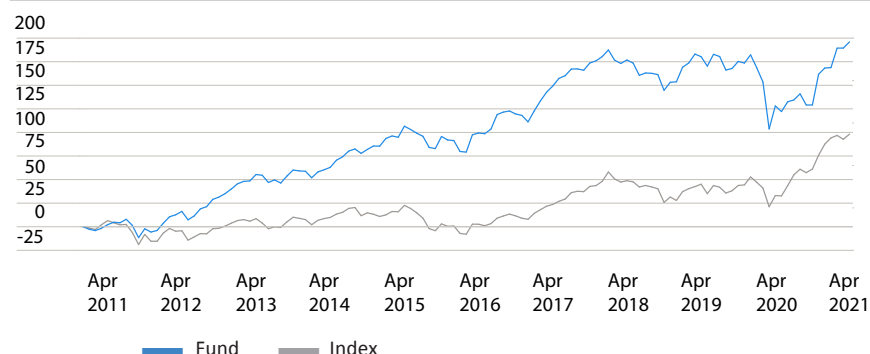
Investment Process

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

Credit Suisse, in collaboration with Cambridge University and the London Business School, publishes the Global Investment Returns Yearbook - arguably the best analysis of historical long run equity market returns. This year, they analysed the performance of 90 emerging markets between 1976 to 2020 to consider whether any simple rotation strategies could lead to outperformance. Their conclusion was that investors in these markets should pursue a contrarian strategy. Investing in countries that had experienced the slowest GDP growth and weakest historical currency performance, as well as buying those markets offering the highest dividend yields, led to 4-5% annual outperformance versus buying the faster growing, lower yielding markets (which are in general more popular).

This is in line with my own thinking which is that investors in Asia should follow a contrarian, rotation-based strategy looking for markets that are out of favour and avoiding those that are popular. At the current time, we think the best example of this is Hong Kong versus Taiwan. Although these markets are both part of China, the political risk premium attached to Hong Kong is extremely high despite an improving economic and political climate. On the other hand, the political risk premium attached to the Taiwan market is close to zero (the market is trading near record valuations) despite Admiral Philip Davidson, Washington's top military officer in Asia Pacific, suggesting Beijing could invade Taiwan in the next six years.

Because we have no way of knowing what the future holds, we prefer to own markets where the risk premium is high and are nervous about investing in markets where the risk premium is low.

All data as at 30.04.21. Source: Prusik Investment Management LLP, unless otherwise stated.

Signatory of:



Prusik Asian Equity Income Fund



Top 5 Holdings (%)

CK Hutchison Holdings Ltd	6.8
Power Grid Corporation of India Ltd	5.7
China Mobile Ltd	5.3
CK Asset Holdings Ltd	5.0
Zhejiang Expressway Co	4.9
Total Number of Holdings	37

Portfolio Financial Ratios

Price/Earnings Ratio	9.7x
Predicted Dividend Yield (%)	5.9

Risk Metrics

Tracking Error (% pa)	9.99
Beta	0.82
Alpha	5.24
Volatility (%)	15.85
Sharpe Ratio	0.99

Thematic Breakdown (%)

Consumer	23.6	
Communications Infrastructure	22.0	
Real Estate	19.4	
Power Utilities & Energy	19.2	
Transport Infrastructure	12.2	
Financials	2.7	
Cash	1.0	

Geographical Breakdown (%)

Hong Kong	33.0	
India	19.9	
China	16.2	
Indonesia	6.3	
Korea	4.7	
Macau	3.8	
Singapore	3.2	
Thailand	2.9	
Philippines	2.8	
Australia	2.4	
Vietnam	2.2	
Malaysia	1.7	
Cash	1.0	

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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 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	304.51
B USD Unhedged Distributing	B4QVD94	IE00B4QVD949	195.08
C GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	179.59
D SGD Hedged Distributing	B4NFJT1	IE00B4NFJT16	181.82

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	174.27
Y GBP Hedged Distributing	B4TRL17	IE00B4TRL175	161.14
Z SGD Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	168.69

Performance fee based on individual investor's holding.

Class U	Sedol	ISIN	Month-end NAV
U GBP Unhedged Distributing	BBP6LK6	IE00BBP6LK66	157.84

Performance fee based on fund performance as a whole.

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