

Prusik Asian Equity Income Fund



LONG ONLY ABSOLUTE RETURN INVESTING IN ASIA

31 May 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)	774.3m
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	1.27	1.47
3 Month	3.59	2.17
Year to Date	11.74	7.23
2020	-4.96	22.75
Since Launch	199.78	101.11
Annualised†	11.12	6.94

Source: Morningstar.

Launch Date: B: 31.12.10

†Since Launch Performance

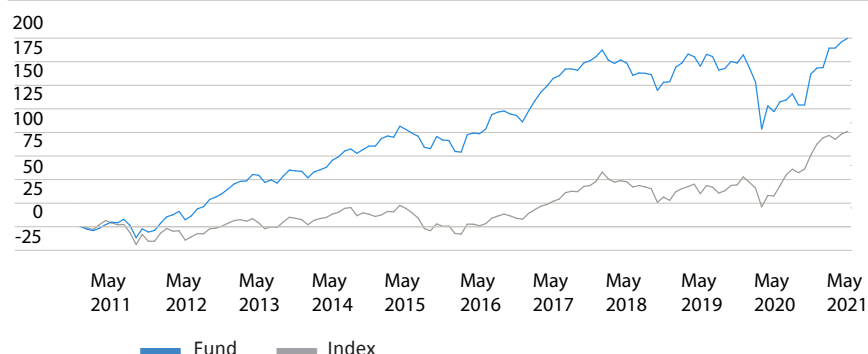
Investment Process

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 commentary from management regarding current operating conditions suggests that business is recovering. **Cikarang Litrindo** (Indonesian Power Company) stated that first quarter demand is 5% above pre-covid levels. In Macau, although visitor numbers are still 60% lower than pre-covid levels, **Wynn Macau** saw its mass market business back to 76% of pre-covid levels of the 2019 May holidays and sales at shopping malls are 80% higher than pre-covid levels (despite significant restrictions still in place). Finally, **Scentre Group** (Westfield Australia) reported 1Q tenant sales 1.4% higher than the same period in 2019. Despite the improving fundamentals, valuations remain very depressed as investors fear that another covid induced lockdown is imminent. As a result, we believe the risk/reward profile of the fund remains highly attractive.

This month we bought back into Australian toll road developer and operator **Transurban Group**. **Transurban** has an attractive portfolio of roads in Australia and the United States focused on urbanised markets which require continued infrastructure investment due to growing populations and congestion issues. Because their tolls are linked to inflation, they provide an attractive hedge in today's uncertain environment. Traffic growth has now returned to pre-covid levels and peak hour traffic patterns appear to suggest that the impact of Covid has been relatively low. Although upside to our "point in time" DCF is relatively limited, the company has historically been able to invest in new projects at high IRRs as their dominant position in Australia gives them a strong negotiating position with the government. This means that the DCF has continued to ratchet higher over time.

All data as at 31.05.21. Source: Prusik Investment Management LLP, unless otherwise stated.

Signatory of:



Prusik Asian Equity Income Fund



Top 5 Holdings (%)

CK Hutchison Holdings Ltd	6.3
Power Grid Corporation of India Ltd	5.7
CK Asset Holdings Ltd	5.1
China Mobile Ltd	4.8
SK Telecom Co Ltd	4.8
Total Number of Holdings	38

Portfolio Financial Ratios

Price/Earnings Ratio	9.6x
Predicted Dividend Yield (%)	5.8

Risk Metrics

Tracking Error (% pa)	10.01
Beta	0.82
Alpha	5.21
Volatility (%)	15.82
Sharpe Ratio	0.99

Thematic Breakdown (%)

Consumer	24.3	
Communications Infrastructure	21.1	
Power Utilities & Energy	19.1	
Real Estate	19.0	
Transport Infrastructure	12.6	
Financials	2.7	
Cash	1.2	

Geographical Breakdown (%)

Hong Kong	32.5	
India	20.3	
China	15.4	
Indonesia	6.8	
Korea	4.8	
Macau	3.3	
Australia	3.0	
Singapore	3.0	
Thailand	2.8	
Philippines	2.7	
Vietnam	2.3	
Malaysia	1.8	
Cash	1.2	

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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	308.38
B	USD Unhedged Distributing	B4QVD94	IE00B4QVD949	197.56
C	GBP Hedged Distributing	B4Q6DB1	IE00B4Q6DB12	181.74
D	SGD Hedged Distributing	B4NFJT1	IE00B4NFJT16	184.10

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	176.49
Y	GBP Hedged Distributing	B4TRL17	IE00B4TRL175	163.07
Z	SGD Hedged Distributing	B6WDYZ1	IE00B6WDYZ18	170.80

Performance fee based on individual investor's holding.

Class U		Sedol	ISIN	Month-end NAV
U	GBP Unhedged Distributing	BBP6LK6	IE00BBP6LK66	156.82

Performance fee based on fund performance as a whole.

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