

PRUSIK ASIA FUND PLC

(An open-ended investment company with variable capital incorporated with limited liability and established as a UCITS under the law of Ireland)

**Condensed Semi-Annual Report and Unaudited Financial Statements
For the Period Ended 30 June, 2013**

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GENERAL INFORMATION

Prusik Asia Fund plc (the “Company”) is a public limited liability investment company with variable capital, incorporated on 7 September 2005 in Ireland pursuant to the Companies Acts, 1963 to 2012 and authorised by the Central Bank of Ireland (the “Central Bank”), as an investment company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, (the “UCITS Regulations”).

Except where the context otherwise requires, defined terms shall bear the meaning given to them in the Prospectus of the Company.

The Company, with the prior approval of the Central Bank, may create additional Share Classes as the Directors may deem appropriate.

The Company commenced trading on 7 October 2005. There are nine share classes available to investors in the Company:

- Class A Dollar Non-Distributing Class (first issued on 7 October 2005)
- Class B Dollar Distributing Class (first issued on 7 October 2005)
- Class C Sterling Distributing Class (first issued on 14 July 2006)
- Class D Singapore Dollar Distributing Class (first issued on 22 December 2009)
- Class N Dollar Non-Distributing Class (first issued on 20 September 2010)
- Class O Dollar Distributing Class (first issued on 20 September 2010)
- Class P Sterling Distributing Class (first issued on 20 September 2010)
- Class E Singapore Dollar Distributing Class (first issued on 21 September 2011)
- Class U Sterling (Unhedged) Distributing Class (first issued on 1 July 2013)

Brown Brothers Harriman Fund Administration Services (Ireland), Limited (the “Administrator”) determines the Net Asset Value (“NAV”) per Share of each Class of the Company daily (weekly on each Friday until 28 June 2013) (“Dealing Day”). The valuation point is 11.00 am (Irish time) on each Dealing Day.

The most recent Prospectus of the Company is dated 11 January 2011.

Investment Objective

The investment objective of the Company is to engineer capital growth primarily by investing in companies operating in the Asian region.

In pursuit of its investment objective the Company invests in companies operating in Asia including Australia, New Zealand, Hong Kong, Taiwan, South Korea, China, India, Sri Lanka, Pakistan, Thailand, Indonesia, Malaysia, Singapore and the Philippines and generally seeks to invest, on average, in companies which have a price to book value ratio and price/earnings ratio below the level then prevailing in the market of that sector. The Company pursues its investment objective primarily by taking long positions in publicly traded common stocks and other equity securities of Asian issuers.

The Company has the ability to hold up to 100% of the NAV in cash for any period of time Prusik Investment Management LLP (the “Investment Manager”) deems this prudent. The Company limits its investment in other collective investment schemes to a maximum of 10% of its NAV.

The Company may invest in American depository receipts and global depository receipts and other equity related securities and instruments, which may be over-the-counter or listed, including convertible bonds, depository receipts and warrants as well as other securities such as bonds and preference shares issued by corporate and governmental issuers (and which may be fixed or floating, and of both investment grade (rated BB- or higher by Standard & Poor’s/ Moody’s) or non-investment grade.

The Company may invest in both short and long term Asian and foreign debt securities (such as fixed and/or floating rate bonds and notes) of corporate issuers and government entities. The debt and other fixed income securities in which the Company may invest will principally be of investment grade.

GENERAL INFORMATION (CONTINUED)

Investment Objective (continued)

The Company may, however, invest on a very limited basis in debt and fixed income securities which are not required to satisfy any minimum rating standard. Such securities may include instruments that are considered to be of poor standing and which have predominantly speculative characteristics with respect to capacity to pay interest and repay principal.

The Company may utilise techniques for efficient portfolio management and/or to protect against exchange risks, subject to the conditions and within the limits laid down by the Central Bank. These techniques and instruments include but are not limited to futures, options, forward foreign exchange contracts, interest and exchange rate swap contracts, stock lending and repurchase and reverse repurchase agreements.

The Company may also invest in currency forwards such as non-deliverable forwards ("NDF") in order to manage currency exposure.

Pending investment of the proceeds of a placing or offer of Shares or where market or other factors so warrant, the Company's assets may be invested in money market instruments, including but not limited to certificates of deposit, floating rate notes and fixed or variable rate commercial paper listed or traded on Recognised Markets and in cash deposits.

The annual report and audited financial statements, and unaudited half-yearly financial statements are available to the public at the registered office of the Company and are sent to shareholders.

INVESTMENT MANAGERS' REPORT

The first five months of 2013 saw a rise in Asian stock markets, albeit a modest one in relation to the US, whilst June saw a sharp correction which brought the region's MXAPJ Index to a six months tally of -5.6%. The Prusik Asia Fund rose 3.9% over the same period.

The significant drivers for the fund remained the ASEAN markets, some of which have posted impressive gains so far this year, most notably Vietnam. Importantly, we have also seen good activity in some of our main themes. Aside from Vietnam, the regional brands and consumer companies have been strongly re-rated. We have also seen a growing appreciation of the explosion in regional tourism. Infrastructure spending has been a steady driver across the region and this sector did well too. Overall, it has been particularly interesting to observe how many more investors are finally appreciating the ASEAN story and are now enthusiastically discussing the impact and meaning of the upcoming ASEAN Economic Community in 2015.

We made very few alterations to the fund during the first quarter. However, over the second quarter the weighting in Thailand did get very high and we subsequently took some profits and redistributed the funds to Malaysia post the election and Korea where a multitude of companies in some of our newer themes, such as entertainment, culture and leisure, sit. Our cash position remains very low, reflecting the many opportunities we are still finding at attractive valuations. We do not expect this to change much in the short term.

Indeed, assuming no international disaster to throw things off track in Asia or financial markets in general, we remain constructive on ASEAN and suggest that investors keep the faith despite the recent correction. On a ten year view it will be very difficult to match the macro environment, demographics and growth rates seen in ASEAN elsewhere in the world; anecdotally, our client meetings suggest that very few are overweight this part of the region. Moreover, the domestic demand for equities in Asia is rising and we have seen some local pension funds, notably in Korea, which has the third largest pension fund in the world, announce an increased interest in adding to positions in mid and smaller sized companies.

In the short term cycles will occur but we shouldn't be too afraid of these! Nonetheless, the formation of the ASEAN Economic Community in 2015 may be an invisible line in the sand which marks a sensible near term investment horizon. Past this point some countries at a more advanced stage in the cycle, such as Thailand and Singapore, may see a proper cycle correction. However, as the old stock market adage goes, 'it's better to travel than arrive', thus we believe we have time and distance still to go and that despite a few expensive names we believe these markets are still not that widely held.

Looking at the Asian region as a whole we saw incrementally larger earnings upgrades in the first quarter of 2013 which was very encouraging. Further, since the stock markets started correcting in late May we have met with the management of many of our holdings and few have reported any material changes to their operating environment or outlook. We have, however, recently seen some steep falls in the region's currencies, the consequences of which are likely to become clearer during the next reporting season.

The recent correction has been accompanied by multiple concerns. These include a loss of confidence in the predictability of China's progression owing to its banking issues and fears that bad debts may soar to unmanageable levels. At this stage, while it is impossible to tell the full magnitude of the bad debt problems, the probability that these problems are severe is reasonably high. That said, optically, China is one of the cheapest and unloved stock markets in the region. Owing to this we expect that any progress made by the government to address these issues could be met with a powerful recovery in the stock market, something which might catch many off guard. We do acknowledge though that there is a good chance things could get much worse in China before they get better.

We also note that concerns have been raised about consumption growth in Emerging Markets, which we believe, so far, are unfounded. Another point of debate has been the sustainability of economic recovery in the West.

To our minds, perhaps the most worrying phenomenon during this recent correction has been the shift in expectations towards rising interest rates across the region and questions as to whether the cost of capital in much of Asia is appropriate. However, encouragingly, at the time of writing interest rates in much of ASEAN have now risen to levels much closer to what reflects the perceived risks in these economies and we believe that much of this is now reflected in share prices. We do not think that debt levels in the region are out of hand either.

INVESTMENT MANAGERS' REPORT (CONTINUED)

Crucially, Asia's price to book ratio has now fallen to 1.4x. The MXAPJ's price to book ratio has only been lower 5 times in the past 20 years and so past experience suggests these fears have just generated a very attractive entry point. These kinds of valuations rarely, if ever, exist at the peak of the cycle.

We would like to sincerely thank our investors for their tremendous support over the half year.

Prusik Investment Management LLP
July 2013

Prusik Asia Fund plc

SCHEDULE OF INVESTMENTS

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock - 93.91% (31 December 2012: 96.69%)					
China - 4.88% (31 December 2012: 1.55%)					
	15,600	Baidu, Inc.	1,602,681	1,469,364	1.93%
	3,550,000	Travelsky Technology Ltd.	2,481,525	2,242,418	2.95%
			4,084,206	3,711,782	4.88%
Hong Kong - 11.48% (31 December 2012: 17.24%)					
	365,000	AIA Group Ltd.	1,434,121	1,540,978	2.03%
	3,000,000	Dorsett Hospitality International Ltd.	711,057	692,256	0.91%
	665,000	Great Eagle Holdings Ltd.	1,588,979	2,537,497	3.34%
	1,350,000	Haier Electronics Group Co. Ltd.	1,804,973	2,151,020	2.83%
	44,333	Langham Hospitality Investments Ltd.	28,563	23,032	0.03%
	3,700,000	Shun Tak Holdings Ltd.	1,844,301	1,779,110	2.34%
			7,411,994	8,723,893	11.48%
India - 3.32% (31 December 2012: 4.07%)					
	255,000	Bharti Airtel Ltd.	1,436,194	1,249,401	1.64%
	270,000	Tata Motors Ltd.	1,378,200	1,274,608	1.68%
			2,814,394	2,524,009	3.32%
Indonesia - 5.37% (31 December 2012: 4.15%)					
	12,500,000	Lippo Karawaci Tbk PT	1,405,428	1,901,763	2.50%
	1,950,000	Telekomunikasi Indonesia Persero Tbk PT	1,676,835	2,180,856	2.87%
			3,082,263	4,082,619	5.37%
Malaysia - 11.75% (31 December 2012: 0.00%)					
	830,000	Gamuda Bhd.	1,340,217	1,229,435	1.62%
	800,000	Malayan Banking Bhd.	2,462,447	2,623,200	3.45%
	430,000	Malaysia Airports Holdings Bhd.	854,711	857,414	1.13%
	725,000	MPHB Capital Bhd.	693,814	314,369	0.41%
	1,450,000	Multi-Purpose Holdings Bhd.	1,247,638	1,656,750	2.18%
	2,300,000	UEM Sunrise Bhd.	2,070,339	2,249,407	2.96%
			8,669,166	8,930,575	11.75%
Philippines - 14.26% (31 December 2012: 14.14%)					
	4,120,000	Alliance Global Group, Inc.	995,414	2,234,253	2.94%
	1,030,003	BDO Unibank, Inc.	1,426,815	2,028,975	2.67%
	3,000,000	Cosco Capital, Inc.	752,529	666,744	0.88%
	278,000	Manila Electric Co.	1,604,917	2,119,629	2.79%
	17,850,000	Metro Pacific Investments Corp.	1,598,954	2,171,784	2.86%
	565,000	Universal Robina Corp.	1,078,307	1,610,545	2.12%
			7,456,936	10,831,930	14.26%
South Korea - 12.70% (31 December 2012: 15.22%)					
	35,000	Coway Co. Ltd.	1,747,788	1,707,452	2.25%
	12,000	GS Home Shopping, Inc.	1,136,334	2,485,636	3.27%
	42,000	Hotel Shilla Co. Ltd.	2,367,301	2,236,547	2.94%
	11,700	LOTTE Himart Co. Ltd.	797,334	868,974	1.14%

Prusik Asia Fund plc

SCHEDULE OF INVESTMENTS (CONTINUED)

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock - 93.91% (31 December 2012: 96.69%) (continued)					
South Korea - 12.70% (31 December 2012: 15.22%) (continued)					
	120,000	SK Telecom Co. Ltd.	1,407,290	2,353,200	3.10%
			7,456,047	9,651,809	12.70%
Taiwan - 3.08% (31 December 2012: 3.38%)					
	960,000	Chipbond Technology Corp.	1,563,395	2,343,330	3.08%
			1,563,395	2,343,330	3.08%
Thailand - 19.23% (31 December 2012: 23.47%)					
	400,000	Bangkok Bank PCL - NVDR	2,110,911	2,630,137	3.46%
	8,100,000	BTS Group Holdings PCL	1,806,523	1,997,260	2.63%
	1,700,000	Major Cineplex Group PCL	994,409	1,145,205	1.51%
	3,300,000	Minor International PCL	1,353,297	2,584,690	3.40%
	1,350,000	Pruksa Real Estate PCL	931,049	987,752	1.30%
	235,000	Siam Cement PCL	2,963,852	3,317,647	4.37%
	1,474,000	Tisco Financial Group PCL - Foreign	1,999,617	1,947,913	2.56%
			12,159,658	14,610,604	19.23%
Vietnam - 7.84% (31 December 2012: 6.65%)					
	1,175,830	Kinh Do Corp.	1,624,628	2,567,362	3.38%
	910,610	Phu Nhuan Jewelry JSC	1,451,035	1,125,111	1.48%
	1,600,000	Saigon Securities, Inc.	1,126,177	1,320,443	1.74%
	2,200,000	VN Direct Securities Corp.	987,443	944,117	1.24%
			5,189,283	5,957,033	7.84%
Total Common Stock			59,887,342	71,367,584	93.91%
Collective Investment Schemes - 1.91% (31 December 2012: 2.41%)					
Hong Kong - 1.91% (31 December 2012: 2.41%)					
	1,250,000	iShares FTSE A50 China Index ETF	1,622,077	1,451,867	1.91%
			1,622,077	1,451,867	1.91%
Total Collective Investment Scheme			1,622,077	1,451,867	1.91%
Total Fair Value of Investments			61,509,419	72,819,451	95.82%

SCHEDULE OF INVESTMENTS (CONTINUED)

Forward Foreign Currency Contracts - (0.15%) (31 December 2012: 0.01%)

Currency Bought	Amount Bought	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss)	% of Net Assets
USD	61,232	GBP	(40,000)	09/07/2013	Brown Brothers Harriman	233	0.00%
USD	95,352	SGD	(120,000)	09/07/2013	Brown Brothers Harriman	465	0.00%
USD	61,560	GBP	(40,000)	09/07/2013	Brown Brothers Harriman	561	0.00%
USD	28,062	GBP	(18,000)	09/07/2013	Brown Brothers Harriman	612	0.00%
USD	125,580	SGD	(157,000)	09/07/2013	Brown Brothers Harriman	1,437	0.00%
USD	51,807	GBP	(33,000)	09/07/2013	Brown Brothers Harriman	1,483	0.00%
USD	234,170	SGD	(294,000)	09/07/2013	Brown Brothers Harriman	1,698	0.00%
USD	200,070	GBP	(130,000)	09/07/2013	Brown Brothers Harriman	1,823	0.01%
USD	1,206,758	SGD	(1,500,000)	09/07/2013	Brown Brothers Harriman	20,678	0.03%
Total unrealized gain on Forward Foreign Currency Contracts						28,990	0.04%
Total Financial Assets at Fair Value through Profit or Loss						72,848,441	95.86%
SGD	2,590,980	USD	(2,100,000)	09/07/2013	Brown Brothers Harriman	(51,259)	(0.07%)
GBP	1,481,959	USD	(2,300,000)	09/07/2013	Brown Brothers Harriman	(40,052)	(0.05%)
SGD	1,850,700	USD	(1,500,000)	09/07/2013	Brown Brothers Harriman	(36,614)	(0.05%)
GBP	386,598	USD	(600,000)	09/07/2013	Brown Brothers Harriman	(10,448)	(0.02%)
GBP	66,259	USD	(103,000)	09/07/2013	Brown Brothers Harriman	(1,956)	0.00%
SGD	76,074	USD	(62,000)	09/07/2013	Brown Brothers Harriman	(1,847)	0.00%
GBP	38,197	USD	(60,000)	09/07/2013	Brown Brothers Harriman	(1,750)	0.00%
USD	78,382	SGD	(100,000)	09/07/2013	Brown Brothers Harriman	(690)	0.00%
GBP	12,732	USD	(20,000)	09/07/2013	Brown Brothers Harriman	(584)	0.00%
GBP	16,082	USD	(25,000)	09/07/2013	Brown Brothers Harriman	(475)	0.00%
USD	182,628	GBP	(120,000)	09/07/2013	Brown Brothers Harriman	(369)	0.00%
GBP	49,065	USD	(75,000)	09/07/2013	Brown Brothers Harriman	(178)	0.00%
GBP	17,663	USD	(27,000)	09/07/2013	Brown Brothers Harriman	(64)	0.00%
SGD	13,910	USD	(11,000)	09/07/2013	Brown Brothers Harriman	(2)	0.00%
Total unrealized loss on Forward Foreign Currency Contracts						(146,288)	(0.19%)
Total Financial Liabilities at Fair Value through Profit or Loss						(146,288)	(0.19%)
						Value USD	% of Net Assets
Cash						3,373,435	4.44%
Other Net Liabilities						(80,980)	(0.11%)
Net Assets Attributable to Holders of Redeemable Participating Shares						75,994,608	100.00%

BALANCE SHEET

	Notes	As at 30 June 2013 USD	As at 31 December 2012 USD
Assets			
Financial assets, at cost		61,509,419	62,897,857
Financial assets at fair value through profit or loss			
- Transferable securities		71,367,584	71,782,210
- Collective investment schemes		1,451,867	1,790,184
- Financial derivative instruments		28,990	12,957
Cash		3,373,435	46,517
Margin cash due from broker		995	14,145
Receivable for investments sold		–	927,848
Dividends receivable		204,205	240,763
Subscriptions receivable		–	22,222
Other assets		–	24,425
Total assets		76,427,076	74,861,271
Liabilities			
Financial liabilities at fair value through profit or loss			
- Financial derivative instruments		146,288	5,709
Bank overdraft		–	300,700
Investment management fees	2	95,860	94,302
Administration fees	3	17,782	28,137
Custody fees	4	12,380	26,070
Trustee fees	4	2,587	3,624
Directors' fees	5	7,191	–
Audit fees		25,682	49,588
Performance fees	2	70,626	73,497
Professional fees		39,144	36,086
Other liabilities		14,928	214
Total liabilities		432,468	617,927
Net Assets Attributable to Holders of Redeemable Participating Shares (for financial statement purposes)			
		75,994,608	74,243,344

The accompanying notes form an integral part of these financial statements.

BALANCE SHEET (CONTINUED)

	Notes	As at 30 June 2013	As at 31 December 2012
Class A Dollar Non-Distributing Class	1		
Net Assets (for financial statement purposes)		USD 47,694,873	USD 46,100,356
Outstanding Redeemable Participating Shares		269,777	270,475
Net Asset Value per Share		USD 176.79	USD 170.44
Class B Dollar Distributing Class	1		
Net Assets (for financial statement purposes)		USD 9,023,256	USD 9,737,170
Outstanding Redeemable Participating Shares		51,018	57,105
Net Asset Value per Share		USD176.86	USD170.51
Class C Sterling Distributing Class	1		
Net Assets (for financial statement purposes)		GBP 1,425,731	GBP 1,353,272
Outstanding Redeemable Participating Shares		14,773	14,622
Net Asset Value per Share		GBP 96.51	GBP 92.55
Class D Singapore Dollar Distributing Class	1		
Net Assets (for financial statement purposes)		SGD 2,455,675	SGD 2,080,496
Outstanding Redeemable Participating Shares		10,099	8,879
Net Asset Value per Share		SGD 243.16	SGD 234.34
Class E Singapore Dollar Distributing Class	1		
Net Assets (for financial statement purposes)		SGD 1,797,203	SGD 1,694,604
Outstanding Redeemable Participating Shares		14,619	14,619
Net Asset Value per Share		SGD 122.94	SGD 115.92
Class N Dollar Non-Distributing Class	1		
Net Assets (for financial statement purposes)		USD 489,780	USD 484,045
Outstanding Redeemable Participating Shares		2,785	2,840
Net Asset Value per Share		USD 175.86	USD 170.44
Class O Dollar Distributing Class	1		
Net Assets (for financial statement purposes)		USD 12,711,543	USD 12,090,976
Outstanding Redeemable Participating Shares		72,690	70,899
Net Asset Value per Share		USD 174.87	USD 170.54
Class P Sterling Distributing Class	1		
Net Assets (for financial statement purposes)		GBP 352,790	GBP 340,828
Outstanding Redeemable Participating Shares		3,734	3,689
Net Asset Value per Share		GBP 94.47	GBP 92.39

The accompanying notes form an integral part of these financial statements.

PROFIT AND LOSS ACCOUNT

	Notes	For the period ended 30 June 2013 USD	For the year ended 31 December 2012 USD	For the period ended 30 June 2012 USD
Investment income				
Dividend income		1,263,541	2,621,261	1,621,060
Interest income		188	1,281	–
Other income		–	17,731	–
Net realised gain on financial assets and liabilities at fair value through profit or loss		2,031,075	5,940,741	2,585,698
Movement in net unrealised gain on financial assets and liabilities at fair value through profit or loss		510,139	11,721,162	5,017,961
Total income		3,804,943	20,302,176	9,224,719
Expenses				
Investment management fees	2	579,401	1,165,589	640,361
Administration fees	3	54,282	111,609	37,286
Custody fees	4	25,303	77,401	88,802
Trustee fees	4	7,981	12,458	8,818
Directors' fees	5	21,453	41,875	24,172
Audit fees		30,351	41,792	24,599
Professional fees		78,463	168,298	19,370
Performance fees	2	255,503	73,497	–
Transaction costs		219,106	765,979	462,803
Other expenses		25,848	18,558	53,780
Total expenses		1,297,691	2,477,056	1,359,991
Net income before finance costs		2,507,252	17,825,120	7,864,728
Finance costs				
Overdraft interest		(516)	(28,621)	(330)
Indian capital gains tax	7	–	5,614	–
Total finance costs		(516)	(23,007)	(330)
Withholding tax on dividends		(173,906)	(236,235)	(171,959)
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations		2,332,830	17,565,878	7,692,439

Gains and losses arise solely from continuing operations. There were no recognised gains or losses other than those reflected above and therefore, no statement of total recognised gains and losses has been presented.

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

	For the period ended 30 June 2013 USD	For the year ended 31 December 2012 USD	For the period ended 30 June 2012 USD
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations	2,332,830	17,565,878	7,692,439
Capital Share Transactions of Redeemable Participating Shares			
Proceeds from issuance of Redeemable Participating Shares	11,268,130	6,872,048	6,529,342
Payments on redemption of Redeemable Participating Shares	(11,852,114)	(36,090,037)	(33,655,357)
Recontribution due to additional performance fee	2,418	73,497	-
Net decrease from Capital Share Transactions of Redeemable Participating Shares	(581,566)	(29,144,492)	(27,126,015)
Change in Net Assets Attributable to Holders of Redeemable Participating Shares	1,751,264	(11,578,614)	(19,433,576)
Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the period/year	74,243,344	85,821,958	85,821,958
Net Assets Attributable to Holders of Redeemable Participating Shares at the end of the period	75,994,608	74,243,344	66,388,382

The accompanying notes form an integral part of these financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and estimation techniques adopted by the Company are as follows:

Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2012 and the UCITS Regulations. The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention, as modified by the reduction of financial assets and financial liabilities at fair value through profit or loss and comply with accounting standards issued by the Financial Reporting Council, as promulgated by the Institute of Chartered Accountants in Ireland.

The information required by FRS 3: “Reporting Financial Performance”, to be included in a statement of total recognised gains and losses and a reconciliation of movement in Shareholders’ funds, is in the opinion of the Directors contained in the Profit and Loss Account and Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares on pages 11 and 12.

The Company has availed of the exemption available to open-ended investment funds under FRS 1 “Cash Flow Statements”, not to prepare a cash flow statement.

Financial Assets and Financial Liabilities at Fair Value through Profit or Loss

(i) Classification

In accordance with FRS 26 “Financial Instruments: Recognition and Measurement”(“FRS 26”), the Company designated all its assets and liabilities as Financial Assets and Financial Liabilities at fair value through profit or loss. The category of Financial Assets and Financial Liabilities at fair value through profit or loss is further subdivided into:

Financial assets and financial liabilities held for trading

These include equities and forward foreign currency contracts held by the Company. These instruments are acquired or incurred principally for the purpose of generating a profit from short-term fluctuation in price. All the Company’s assets and liabilities are held for the purpose of being traded or are expected to be realised within one year.

Financial instruments designated as at fair value through profit or loss upon initial recognition

These include Financial Assets or Financial Liabilities that are not held for trading. These financial instruments are designated on the basis that their fair value can be reliably measured and their performance has been evaluated on a fair value basis in accordance with the risk management and/or investment strategy as set out in the Company’s Prospectus. There were no such financial instruments designated as at fair value through profit or loss upon initial recognition held by the Company at the period end.

(ii) Recognition

All regular purchases and sales of financial instruments are recognised on the trade date, subject to receipt before agreed cut-off time, which is the date that the Company commits to purchase or sell an asset. Regular way purchase or sales are purchases or sales of financial instruments that require delivery of assets within the period generally established by regulation or convention in the market place.

Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss are included in the Profit and Loss Account in the period which they arise. Dividends are credited to the Profit and Loss Account on the dates on which the relevant securities are listed as “ex-dividend”.

(iii) Derecognition

A financial asset (or, where applicable a part of a financial asset or part of group of similar assets) is derecognised where

- The rights to receive cash flows from the assets have expired; or
- The Company transferred its rights to receive cash flows from the assets or has assumed an obligation to pay the received cash flows in full without material delay to a third party under “pass through” arrangements; or

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Assets and Financial Liabilities at Fair Value through Profit or Loss (continued)

(iii) Derecognition (continued)

- Either (a) the Company has transferred substantially all the risks and rewards of the assets, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

The Company derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

(iv) Initial Measurement

Financial instruments categorised at fair value through profit or loss are measured initially at fair value, with transaction costs for such instruments being recognised directly in the Profit and Loss Account.

Financial liabilities, other than those classified as at fair value through profit and loss are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition or issue.

Components of hybrid financial instruments are measured in accordance with the above policies based on their classification.

(v) Subsequent Measurement

After initial measurement, the Fund measures financial instruments classified as financial assets at fair value through profit or loss at their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Securities which are quoted, listed or traded on a Recognised Exchange will be valued at last bid prices at the Valuation Point. The value of any security which is not quoted, listed or dealt in on a Recognised Exchange or which is so quoted, listed or dealt but for which no such quotation or value is available or the available quotation or value is not representative of the fair market value shall be the probable realisation value as estimated with care and good faith by the Directors or by a competent person, firm or corporation appointed for such purpose by the Custodian.

Cash and other Liquid Assets

Cash comprises current deposits with banks. Cash and other liquid assets will be valued at their face value with accrued interest on interest bearing accounts as at the close of business on each valuation date.

Derivative Instruments

Derivative instruments traded on a regulated market shall be valued at the settlement price as determined by the market. If the settlement price is not available the value shall be the probable realisation value estimated with care and in good faith by (i) the Directors or the Investment Manager or (ii) a competent person, firm or corporation selected by the Directors and approved for the purpose by the Custodian or (iii) any other means provided that the value is approved by a competent person (such competent person having been approved for the purpose by the Custodian). Derivative contracts which are not traded on a regulated market including without limitation, swap contracts, will be valued on the basis of a quotation provided daily by the relevant counterparty and verified or approved at least weekly by a party independent of the counterparty, including the Investment Manager, or another independent party which is approved for such purpose by the Custodian. Apart from forward foreign exchange contracts, as at 30 June 2013 and 31 December 2012, the Company did not hold any derivative instruments.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Assets and Financial Liabilities at Fair Value through Profit or Loss (continued)

Forward Foreign Currency Contracts

Forward foreign currency contracts shall be valued in the same manner as derivatives contracts which are not traded in a regulated market or by reference to the price at the Valuation Point at which new forward contract of the same size and maturity could be undertaken. The forward foreign currency contracts held by the Company as at 30 June 2013 are included in the Schedule of Investments.

Futures Contracts

A futures contract is an agreement between two parties to buy and sell a security, index or currency at a specific price or rate at a future date. Upon entering into a futures contract, the Company is required to deposit with a broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as 'initial cash margin'. Subsequent payments ('variation margin') are made or received by the Company each day, depending upon the daily fluctuation in the value of the contract. The daily changes in contract value are recorded as unrealised gains or losses and the Company recognises a realised gain or loss when the contract is closed. Realised and unrealised gains and losses on futures contracts are recognised in the Profit and Loss Account. As at 30 June 2013 and 31 December 2012, the Company did not hold any futures contracts.

Collective Investment Schemes

Units in collective investment schemes shall be valued at the latest available net asset value per unit or bid price as published by the relevant collective investment scheme or, if listed or traded on a Recognised Exchange, in accordance with listed securities above. The collective investment schemes held by the Company as at 30 June 2013 are included in the Schedule of Investments.

Distributions Payable to Holders of Redeemable Participating Shares

The Company received Reporting Fund status from HMRC with effect from the 1st January 2010 (the Company had previously been registered as having distributor status for the year ended 31 December 2009). The Directors, at their discretion, can distribute any of the net investment income of the Class B Dollar Distributing Class, the Class C Sterling Distributing Class, the Class D Singapore Dollar Distributing Class, the Class O Dollar Distributing Class, the Class P Sterling Distributing Class and the Class E Singapore Dollar Distributing Class of the Company. In the event that a dividend is paid it will be paid out of the net investment income and/or net realised and unrealised capital gains (i.e. realised and unrealised gains net of realised and unrealised losses) of the Company. It is currently anticipated that, if there is net income to distribute, a dividend will be declared in April of each year, and will be paid within four months of declaration. However, the Directors may at their discretion determine the frequency at which a dividend is paid. Shareholders will be notified of any change in the frequency of the payment of dividends. Distributions to holders of redeemable participating shares are recorded in the Income Statement as Finance Costs when paid. As at 30 June 2013 and 31 December 2012, no distributions were paid or payable from the Company.

Foreign Exchange Translation

Functional and Presentation Currency

Items included in the Company's financial statements are measured using the currency in which Shareholder transactions take place (the "functional currency") which is US Dollars ("USD"). The Fund's reporting currency is also USD.

Transactions and Balances

Assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the balance sheet date. Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the dates of the transactions. Gains and losses on foreign exchange transactions are recognised in the Profit and Loss Account in determining the result for the period.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Transactions and Investment Income

Investment transactions are accounted for as at the date purchased or sold. Gains and losses arising from changes in the fair value of the Financial Assets at fair value through profit or loss are included in the Profit and Loss account in the period in which they arise.

Interest Income and Interest Expenses

Interest income and interest expenses are recognised on an accruals basis in line with the contractual terms. Interest is accrued on a daily basis.

Dividend Income

Dividends are credited to the Profit and Loss Account on the dates on which the relevant securities are listed as “ex-dividend”. Income is shown gross of any non-recoverable withholding taxes and net of any tax credits. Withholding tax is shown as a finance cost in the Profit and Loss Account.

Transaction Costs

Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs. Transaction costs are recognised in the Profit and Loss Account as an expense.

Expenses

Expenses are recognised in the Profit and Loss Account on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS

1. Share Capital*Authorised*

The authorised capital of the Company is Euro ("EUR") 300,000 divided into 300,000 redeemable non-participating Shares of EUR1 each and 500 billion Redeemable Participating Shares of no par value.

Non-Participating Shares

There are currently 300,000 redeemable non-participating Shares authorised, with two in issue. The redeemable non-participating Shares do not form part of the NAV of the Company and are thus disclosed in the financial statements by way of this note only. In the opinion of the Directors, this disclosure reflects the nature of the Company's business as an investment fund.

Redeemable Participating Shares

The net assets attributable to holders of Redeemable Participating Shares are at all times equal to the NAV of the Company. Redeemable Participating Shares are redeemable at the Shareholder's option and are classified as Financial Liabilities under FRS 25 "Financial Instruments: Disclosure and Presentation" as they can be redeemed at the option of the Shareholder. Net Assets Attributable to Holders of Redeemable Participating Shares represent a liability in the Balance Sheet, carried at the redemption amount that would be payable at the balance sheet date if a Shareholder exercised the right to redeem. Consequently the differences adjust the carrying amount of Net Assets Attributable to Holders of Redeemable Participating Shares and are recognised in the Profit and Loss Account.

The movement in the number of redeemable participating shares for the period ended 30 June 2013 is as follows:

	Class A Dollar Non-Distributing Class Shares	Class B Dollar Distributing Class Shares	Class C Sterling Distributing Class Shares
At the beginning of the period	270,475	57,105	14,622
Redeemable Participating Shares issued	40,067	13,897	743
Redeemable Participating Shares redeemed	(40,765)	(19,984)	(592)
At the end of the period	269,777	51,018	14,773

	Class D Singapore Dollar Distributing Class Shares	Class E Singapore Dollar Distributing Class Shares	Class N Dollar Non-Distributing Class Shares
At the beginning of the period	8,879	14,619	2,840
Redeemable Participating Shares issued	1,220	–	–
Redeemable Participating Shares redeemed	–	–	(55)
At the end of the period	10,099	14,619	2,785

	Class O Dollar Distributing Class Shares	Class P Sterling Distributing Class Shares
At the beginning of the period	70,899	3,689
Redeemable Participating Shares issued	2,396	65
Redeemable Participating Shares redeemed	(605)	(20)
At the end of the period	72,690	3,734

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Share Capital (continued)

Redeemable Participating Shares (continued)

The movement in the number of redeemable participating shares for the year ended 31 December 2012 is as follows:

	Class A Dollar Non-Distributing Class Shares	Class B Dollar Distributing Class Shares	Class C Sterling Distributing Class Shares
At the beginning of the year	461,492	35,636	26,054
Redeemable Participating Shares issued	3	28,016	64
Redeemable Participating Shares redeemed	(191,020)	(6,547)	(11,496)
At the end of the year	270,475	57,105	14,622

	Class D Singapore Dollar Distributing Class Shares	Class E Singapore Dollar Distributing Class Shares	Class N Dollar Non-Distributing Class Shares
At the beginning of the year	9,638	13,162	940
Redeemable Participating Shares issued	–	1,457	2,840
Redeemable Participating Shares redeemed	(759)	–	(940)
At the end of the year	8,879	14,619	2,840

	Class O Dollar Distributing Class Shares	Class P Sterling Distributing Class Shares
At the beginning of the year	85,451	5,309
Redeemable Participating Shares issued	15,078	–
Redeemable Participating Shares redeemed	(29,630)	(1,620)
At the end of the year	70,899	3,689

The movement in the number of redeemable participating shares for the period ended 30 June 2012 is as follows:

	Class A Dollar Non-Distributing Class Shares	Class B Dollar Distributing Class Shares	Class C Sterling Distributing Class Shares
At the beginning of the period	461,492	35,636	26,054
Redeemable Participating Shares issued	3	27,985	65
Redeemable Participating Shares redeemed	(184,562)	(5,242)	(10,077)
At the end of the period	276,933	58,379	16,042

	Class D Singapore Dollar Distributing Class Shares	Class E Singapore Dollar Distributing Class Shares	Class N Dollar Non-Distributing Class Shares
At the beginning of the period	9,638	13,162	940
Redeemable Participating Shares issued	–	–	2,740
Redeemable Participating Shares redeemed	(664)	–	(490)
At the end of the period	8,974	13,162	3,190

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Share Capital (continued)*Redeemable Participating Shares (continued)*

The movement in the number of redeemable participating shares for the period ended 30 June 2012 is as follows (continued):

	Class O Dollar Distributing Class Shares	Class P Sterling Distributing Class Shares
At the beginning of the period	85,451	5,309
Redeemable Participating Shares issued	13,898	–
Redeemable Participating Shares redeemed	(24,521)	(985)
At the end of the period	74,828	4,324

Application for redemption of Redeemable Participating Shares may be submitted prior to 5.00pm Irish time two calendar days before any Dealing Day (the “dealing deadline”) or such other time as the Board of Directors may determine, provided that the dealing deadline is no later than the valuation point for the Company. Shares will be issued at the NAV per Share based on last traded prices.

Holders of the Distributing Class are entitled to receive all dividends declared and paid by the Company. Upon winding up, the holders are entitled to a return of capital based on the NAV per Share of the Company.

2. Investment Management Fees

The Company has entered into an Investment Management Agreement with Prusik Investment Management LLP (the “Investment Manager”) pursuant to which the Investment Manager manages the Company’s investments on a discretionary basis.

The Investment Manager receives from the Company a fee in relation to the Company of 1.5% per annum of the NAV of the Company together with Value Added Tax (“VAT”), if any on such fee. Fees payable to the Investment Manager shall be accrued at each Valuation Point and shall be payable monthly in arrears. The Company shall bear the cost of any VAT applicable to any fees or other amounts payable to or by such nominee in the performance of their respective duties.

The Investment Manager earned a fee of USD579,401 during the period ended 30 June 2013 (USD1,165,589: 31 December 2012, USD640,361: 30 June 2012), of which USD95,860 is outstanding at the period end (USD94,302: 31 December 2012).

Performance fee and equalisation

In relation to Classes A, B, C, D, N, O and P the Investment Manager also receives a Performance Fee out of the assets of the Company. The Performance Fee is calculated in respect of each twelve month period ending on 31 December respectively in each year (a “Calculation Period”) for Classes A, B, C and D and quarterly for Classes N, O and P. For each Calculation Period, the Performance Fee in respect of each Share will be equal to 10% of the appreciation in the Net Asset Value per Share during that Calculation Period above the base Net Asset Value per Share. The base Net Asset Value per Share is the greater of the Net Asset Value per Share at the time of issue of that Share and the highest Net Asset Value per Share achieved as at the end of any previous Calculation Period (if any) during which such Share was in issue.

In the case of Classes A, B, C and D there is a further calculation, which is intended to ensure the performance fee for these classes is based on the performance of each individual shareholding, and the result of this calculation is that certain shareholders may benefit from a credit against future performance fees referred to as an equalisation credit. Other shareholders may be required to pay additional amounts of performance fee if they have subscribed for shares at a time when the Net Asset Value per Share of the relevant class is less than that when a performance fee was last paid for that class. In respect of classes N, O and P, the performance fee is calculated based on the performance of the share classes as a whole, and not that of any individual shareholding. The Investment Manager will not charge the Holders of Participating Shares of the Company a performance fee if the Net Asset Value does not appreciate by more than 6% per annum for all classes.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Investment Management Fees (continued)

For further details on the Performance Fee calculations and Equalisation Credits please refer to the Prospectus. The Investment Manager may, at its sole discretion, agree with any Shareholder, to rebate, return and or remit any part of the Management and Performance Fees which are paid or payable to the Investment Manager. Details of the Performance fees and Equalisation fees charged to the Company and payable at the end of the year are included in the Profit and Loss Account and Balance Sheet, respectively.

The Class E Singapore Dollar Distributing Class will not be charged a Performance Fee.

A Performance Fee of USD255,503 was earned during the period ended 30 June 2013 (USD73,497: 31 December 2012, USDNil: 30 June 2012), which includes USD2,418 of recontribution due to additional performance fees (USD73,497: 31 December 2012). The performance fee outstanding at the end of the period was USD70,626, which includes USD2,418 of an additional performance fee (USD73,497: 31 December 2012).

3. Administration Fees

The Company pays Brown Brothers Harriman Fund Administration Services (Ireland) Limited (the “Administrator”) in the amount of 0.04% of the NAV of the Company if the NAV is less than USD200,000,000, 0.03% of any increment greater than USD200,000,000 and less than USD400,000,000, and 0.02% of any increment greater than USD400,000,000 (plus VAT, if any), subject to a minimum monthly charge of USD4,000. The Administrator is also entitled to receive registration fees and transaction and reporting charges at normal commercial rates which shall accrue daily and be paid monthly in arrears.

The Administrator is also entitled to be repaid out of the assets of the Company all of its reasonable out-of-pocket expenses incurred on behalf of the Company which shall include legal fees, couriers’ fees and telecommunication costs and expenses together with VAT, if any, thereon.

The Administrator earned a fee of USD54,282 during the period ended 30 June 2013 (USD111,609: 31 December 2012, USD37,286: 30 June 2012), of which USD17,782 is outstanding at the period end (USD28,137: 31 December 2012).

4. Custodian Fees

The Company pays Brown Brothers Harriman Trustee Services (Ireland) Limited (the “Custodian”) a trustee fee of 0.02% of the NAV of the Fund. The Custodian also receives a custody fee ranging from 0.01% to 0.09% of the NAV of the investments that the fund makes in each relevant market. The Custodian fees are payable monthly in arrears, subject to a minimum charge of USD36,000 per Fund per annum.

The Custodian shall also be entitled to be repaid all of its disbursements out of the assets of the Company, including legal fees, couriers’ fees and telecommunication costs and expenses and the fees, transaction charges and expenses of any sub-custodian appointed by it which shall be at normal commercial rates together with VAT, if any, thereon.

The Custodian earned a fee of USD25,303 during the period ended 30 June 2013 (USD77,401: 31 December 2012, USD88,802: 30 June 2012), of which USD12,380 is outstanding at the period end (USD26,070: 31 December 2012).

The Trustee earned a fee of USD7,981 during the period ended 30 June 2013 (USD12,458: 31 December 2012, USD8,818: 30 June 2012), of which USD2,587 is outstanding at the period end (USD3,624: 31 December 2012).

5. Directors’ Fees

The Directors of the Company are entitled to a fee in remuneration for their services of EUR15,000 each (plus VAT, if any) per annum. In addition the Directors are entitled to special remuneration if called upon to perform any special or extra services to the Company. All Directors are entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties.

The Directors earned a fee of USD21,453 during the period ended 30 June 2013 (USD41,875: 31 December 2012, USD24,172: 30 June 2012), of which USD7,191 is outstanding at the period end (USDNil: 31 December 2012).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Related Parties*Directors*

Heather Manners is Chief Investment Officer of the Investment Manager and has waived her fees for the period ended 30 June 2013.

Anthony Morris (an alternate Director) is Chief Operating Officer and Head of Trading of the Investment Manager and has waived his fees for the period ended 30 June 2013.

David Hammond is a Director of Bridge Consulting, a financial services consultancy and business advisory firm which provided services relating to the Company's governance requirements under the UCITS Regulations. Bridge Consulting earned a fee of USD24,369 for the period ended 30 June 2013 (USD45,052: 31 December 2012, USD19,370: 30 June 2012), of which USDNil is outstanding at the period end (USD28,450: 31 December 2012).

The following Directors and related parties held Shares in the Company as at 30 June 2013:

Related Party	Shares held	Share Class
David Hammond (Family members)	933	Class A USD\$ Non-Distributing Class
Heather Manners (Director & Partner of the Investment Manager)	4,080	Class D SGD\$ Distributing Class
Prusik Investment Management LLP	7,029	Class E SGD\$ Distributing Class
Anthony Morris (Partner of the Investment Manager)	501	Class D SGD\$ Distributing Class
Thomas Naughton (Partner of the Investment Manager)	5,826	Class E USD\$ Distributing Class
Richard Hayes (Director)	1,262	Class E SGD\$ Distributing Class

The following Directors and related parties held Shares in the Company as at 31 December 2012:

Related Party	Shares held	Share Class
David Hammond (Family members)	933	Class A USD\$ Non-Distributing Class
Heather Manners (Director & Partner of the Investment Manager)	4,080	Class D SGD\$ Distributing Class
Prusik Investment Management LLP	7,029	Class E SGD\$ Distributing Class
Anthony Morris (Partner of the Investment Manager)	410	Class D SGD\$ Distributing Class
Thomas Naughton (Partner of the Investment Manager)	5,826	Class E USD\$ Distributing Class
Richard Hayes (Director)	1,262	Class E SGD\$ Distributing Class

7. Taxation

The Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997 (as amended). It is not chargeable to Irish tax on its income and gains.

Tax may arise on the happening of a chargeable event. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption or transfer of Shares. No tax will arise on the Company in respect of chargeable events in respect of:

- a Shareholder who is not Irish resident and not ordinarily resident in Ireland at the time of the chargeable event, provided the necessary signed statutory declarations are held by the Company; and
- certain exempted Irish tax Shareholders investors who have provided the Company with the necessary signed statutory declarations.

Dividend income and interest received by the Company may be subject to non-recoverable withholding tax in the countries of origin.

Following legislative changes in the Finance Act 2006, the holding of Shares at the end of a Relevant Period will, in respect of Irish Resident investors, also constitute a chargeable event. To the extent that any tax issues arise on such a chargeable event, such tax will be allowed as a credit against any tax payable on the subsequent encashment, redemption, cancellation or transfer of the relevant Shares.

Relevant Period is defined as a period of eight periods beginning with the acquisition of a Share by a Shareholder at each subsequent period of eight periods beginning immediately after the preceding relevant period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Taxation (continued)

As outlined in the Income Statement, the Fund received a capital gains tax refund from the Indian Revenue of USDNil (USD5,614: 31 December 2012, USDNil: 30 June 2012) due to excess capital gains tax paid during the tax period 1 April 2010 to 31 March 2011. As per Indian Income Tax laws, capital gains tax is payable on the sale of assets, investments and capital accumulation. This tax is on short term sale of securities. No capital gains tax was charged to the Fund for the period ended 30 June 2013 and year ended 31 December 2012.

8. Soft Commission Agreements

During the period ended 30 June 2013, the Investment Manager entered into soft commission arrangements with brokers/dealers in respect of which certain goods and services used to support the investment decision process were received. The Investment Manager does not make direct payment for these services but does transact an agreed amount of business with the brokers on behalf of the Company and commission is paid on these transactions.

The goods and services utilized for the Company include computer hardware and software used for economic and political analysis, portfolio analysis including valuation and performance measurement, market analysis, data and quotation services and investment related publications.

The Investment Manager considers these arrangements are to the benefit of the Company and has satisfied itself that it obtains best execution on behalf of the Company and the brokerage rates are not in excess of the customary institutional full service brokerage rates.

These arrangements do not affect a broker's duty to provide best execution.

9. Efficient Portfolio Management

The Company may employ techniques and instruments relating to transferable securities and money market instruments, for the purposes of efficient portfolio management including but not limited to futures, options, swaps, warrants, and forward foreign currency contracts. Such techniques and instruments may include foreign exchange transactions which alter the currency characteristics of transferable securities held by the Company. The Company may also employ techniques and instruments intended to provide protection against exchange risk in the context of the management of its assets and liabilities. As at 30 June 2013, the Company did not hold any such instruments for the purposes of efficient portfolio management.

Forward foreign currency contracts entered into by the Company represent a firm commitment to buy or sell an underlying asset, or currency at a specified value and point in time base upon an agreed or contracted quantity. The realised/unrealised gain or loss is equal to the difference between the value of the contract at the onset and the value of the contract at settlement date and is included in the Profit and Loss Account.

10. Exchange Rates

The following exchange rates have been used to translate assets and liabilities in currencies other than USD:

	30 June 2013	31 December 2012
Australian Dollar	1.0814	0.9640
Euro	0.7659	0.7581
Hong Kong Dollar	7.7573	7.7506
Indian Rupee	59.2700	54.7900
Indonesian Rupiah	9,925.0000	9,637.5000
Malaysian Ringgit	3.1595	-
Philippine Peso	43.1500	41.0050
Pound Sterling	0.6557	0.6183
Singapore Dollar	1.2647	1.2214
South Korean Won	1,141.7600	1,063.6400
Taiwan Dollar	30.1110	29.0490
Thailand Baht	31.0250	30.5600
Vietnamese Dong	21,205.0000	20,840.0000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Net Asset Comparison

In accordance with the provisions of the Company's Prospectus, marketable investment securities are valued at last traded prices at the valuation point. Marketable investment securities for financial reporting purposes are required by FRS 26, (Financial Instruments: recognition and measurement), to be valued based on last bid prices at the valuation point. The difference between the two valuation methods may result in a difference between the NAV per Share shown in the financial statements and the NAV per Share at which Redeemable Participating Shares are issued and redeemed.

As at 30 June 2013 and 31 December 2012, the difference between the NAV for financial reporting purposes as required by FRS 26 and the NAV at which Redeemable Participating Shares are issued and redeemed is detailed in the table below.

Net Asset Value reconciliation		30 June 2013	
		USD	
Net Asset attributable to holders of redeemable participating shares (for shareholder dealing purposes)			76,355,630
Adjustment for bid and offer pricing			(361,022)
Net Asset attributable to holders of redeemable participating shares (for financial reporting purposes)			75,994,608
Net Assets and NAV per share for dealing purposes		30 June 2013 Net Assets	30 June 2013 NAV per Share
Class A Dollar Non-Distributing Class	USD	47,921,454	USD 177.63
Class B Dollar Distributing Class	USD	9,066,122	USD 177.70
Class C Sterling Distributing Class	GBP	1,432,504	GBP 96.97
Class D Singapore Dollar Distributing Class	SGD	2,467,341	SGD 244.32
Class E Singapore Dollar Distributing Class	SGD	1,805,741	SGD 123.52
Class N Dollar Non-Distributing Class	USD	492,106	USD 176.70
Class O Dollar Distributing Class	USD	12,771,931	USD 175.70
Class P Sterling Distributing Class	GBP	354,466	GBP 94.92

Net Asset Value reconciliation		31 December 2012	
		USD	
Net Asset attributable to holders of redeemable participating shares (for shareholder dealing purposes)			74,536,386
Adjustment for bid and offer pricing			(293,042)
Net Asset attributable to holders of redeemable participating shares (for financial reporting purposes)			74,243,344
Net Assets and NAV per share for dealing purposes		31 December 2012 Net Assets	31 December 2012 NAV per Share
Class A Dollar Non-Distributing Class	USD	46,282,322	USD 171.12
Class B Dollar Distributing Class	USD	9,775,603	USD 171.19
Class C Sterling Distributing Class	GBP	1,358,581	GBP 92.91
Class D Singapore Dollar Distributing Class	SGD	2,088,726	SGD 235.25
Class E Singapore Dollar Distributing Class	SGD	1,701,306	SGD 116.38
Class N Dollar Non-Distributing Class	USD	485,956	USD 171.11
Class O Dollar Distributing Class	USD	12,138,700	USD 171.21
Class P Sterling Distributing Class	GBP	342,165	GBP 92.74

12. Comparatives

The comparative figures are for the year ended 31 December 2012 and six months ended 30 June 2012 for the Condensed Profit and Loss account and the Condensed Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares and as at 31 December 2012 for the Condensed Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Significant Events during the Period

There were no events during the period that had a material effect on the unaudited condensed financial statements.

14. Events since the Period End

A fourth addendum to the Prospectus was noted on 28 June 2013 and a revised fourth addendum was noted on 12 July 2013 by the Central Bank to incorporate the following:

- a) The launch of the Class U Sterling (Unhedged) Distributing Share Class, and;
- b) The Fund has increased the dealing frequency from weekly dealing to daily dealing.

15. Approval of Financial Statements

The report and unaudited condensed financial statements were approved by the Directors on 22 August 2013.

STATEMENT OF CHANGES IN THE COMPOSITION OF PORTFOLIO

In accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) a statement of changes in the composition of the portfolio during the reporting period is provided to ensure that Shareholders can identify changes in the investments held by the Company. These statements present the aggregate purchases and sales of transferable securities exceeding 1% of the total value of purchases and sales for the period. At a minimum the largest 20 purchases and 20 sales must be given.

Major Purchases for the period ended 30 June 2013

Security Description	Acquisitions Nominal	Cost USD
Travelsky Technology Ltd.	3,550,000	2,472,672
Malayan Banking Bhd.	800,000	2,457,143
Hotel Shilla Co. Ltd.	42,000	2,361,398
UEM Sunrise Bhd.	2,300,000	2,065,818
Coway Co Ltd.	35,000	1,742,561
Magnum Bhd.	1,450,000	1,697,058
Regis Resources Ltd.	355,000	1,623,177
Baidu, Inc.	15,600	1,599,482
Resolute Mining Ltd.	1,100,000	1,594,691
Brilliance China Automotive	1,100,000	1,474,618
Gamuda Bhd.	830,000	1,336,474
China Life Insurance Co-H	320,000	1,101,329
Korea Electric Power Corp.	37,000	1,086,578
VN Direct Securities Corp.	2,200,000	985,472
Malaysia Airports Holdings Bhd.	430,000	852,259
Siam Cement PCL	50,000	795,998
LOTTE Himart Co. Ltd.	11,700	795,345
Cosco Capital, Inc.	3,000,000	744,857
China Shineway Pharmaceutical	430,000	713,661

STATEMENT OF CHANGES IN THE COMPOSITION OF PORTFOLIO (CONTINUED)

Major Sales for the period ended 30 June 2013

Security Description	Disposals Nominal	Proceeds USD
Jasmine International PCL	17,000,000	3,516,552
Samsung Electronics Co. Ltd.	1,950	2,543,518
China Mobile Ltd.	188,000	2,048,081
Standard Chartered PLC	80,000	1,920,232
KT Corp.	105,000	1,822,727
Universal Robina Corp.	550,000	1,602,860
Sun Hung Kai Properties Ltd.	104,000	1,573,161
Daewoo International Corp.	38,000	1,294,970
Regis Resources Ltd.	355,000	1,236,583
Brilliance China Automotive	1,100,000	1,234,985
Pruksa Real Estate PCL	1,350,000	1,201,050
LG Uplus Corp.	160,000	1,146,630
STX OSV Holdings Ltd.	1,000,000	1,068,748
Newcrest Mining Ltd.	56,000	981,107
Resolute Mining Ltd.	1,100,000	908,019
Korea Electric Power Ltd.	37,000	904,396
Chipbond Technology Corp.	320,000	862,638
Zijin Mining Group Co. Ltd.	2,940,000	858,287
Metro Pacific Investments Corp.	5,900,000	843,171
China Life Insurance Co-H	320,000	840,239
GS Home Shopping, Inc.	4,000	787,623
China Shineway Pharmaceutical	430,000	694,657
New World Department Store China Ltd.	1,150,000	592,699
Manila Electric Co.	62,000	565,180
Alacer Gold Corp.	140,000	398,409

MANAGEMENT AND ADMINISTRATION

BOARD OF DIRECTORS

David Hammond* (Irish)

Heather Manners (British)

Anthony Morris (British)(Alternate Director)

Richard Hayes* (Irish)

*Independent of the Investment Manager

PROMOTOR, INVESTMENT MANAGER AND DISTRIBUTOR

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COMPANY SECRETARY

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Dublin 2

Ireland

COMPANY NAME AND REGISTERED OFFICE

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