

Prusik Asia Fund plc

Condensed Semi-Annual Report and Unaudited Financial Statements

For the period ended 30 June 2010

Prusik Asia Fund plc

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Background of the Company

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 2009 and authorised by the Financial Regulator (the “Financial Regulator”), as an investment company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003, as amended (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 Financial Regulator, may create additional Share Classes as the Directors may deem appropriate.

The Company commenced trading on 7 October 2005. Shares are available to investors in the Company as shares in Class A Dollar Non-Distributing Class, Class B Dollar Distributing Class, Class C Sterling Distributing Class and Class D Singapore Dollar Distributing Class. Class A Dollar Non-Distributing Class and Class B Dollar Distributing Class were issued on 7 October 2005. Class C Sterling Distributing Class was issued on 14 July 2006. Class D Singapore Dollar Distributing Class was issued on 22 January 2010. Further classes of shares may be issued on advance notification to the Financial Regulator.

Citi Fund Services (Ireland), Limited (the “Administrator”) determines the net asset value per share of each Class of the Company weekly on each Friday (“dealing day”) providing that dealing day is a business day, or if such day is not a business day, on the following business day. The valuation point is 11.00 am (Irish time) on each dealing day.

The most recent Prospectus of the Company is dated 29 September 2005. There are 4 addenda to the Prospectus, dated 25 April 2007, 21 February 2008, 21 December 2009 and 16 February 2010.

Prusik Asia Fund

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 a 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% 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 10% of its Net Asset Value.

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 (“OTC”) 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 (BB- or higher) 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. 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 Financial Regulator. 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.

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Background of the Company (continued)

Prusik Asia Fund (continued)

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 Exchanges and in cash deposits.

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.

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Investment Manager's Report

Asian Markets suffered a volatile first half year. Anticipating this in 1Q, we put together a comprehensive "all weather portfolio" which has fared reasonably well.

In April, Asian markets contributed to the general malaise with China introducing some dramatic anti-speculation measures in an effort to rein in runaway residential property prices in its larger cities. Transaction volumes have since fallen between 30%-80% and some price falls have been evident as developers finally reacted to the moves and cut prices. China's property markets make up nearly 30% of internal steel demand and as a consequence questions were raised over the entire China commodities demand story. We expect these heavy-handed property measures to remain in place, but believe the worst of the new measures are behind us.

In the US, to which Asian markets remain frustratingly correlated, we have seen trading patterns which, to us, do not suggest a healthy stock market. Since April 26th approximately one trading day in three has seen a 90% bias towards upside or downside in terms of volume, number of advancing issues and points moved. Combining these signs with devilishly low trading volumes and wildly gyrating currencies, they speak to us of an investment environment rife with confusion and indecision. On the one hand, in Asia the domestic signs vary from neutral to downright exciting, while on the other, the global signs of economic health appear very poor. Overall, a challenging concern as it affects the crucial backdrop to the Asian economic business environment and global sentiment.

In Asia, exports to Europe are still healthy and growth feels strong. The implication of what is happening in Europe is that this might deteriorate going forward but as yet there are few signs of this. Regional central banks are keeping credit growth modest, in line with the new monetary targets, and indeed interest rates were very recently raised fractionally in Korea and Malaysia, and in Taiwan and India in early June. The equity environment in Asia feels quite suppressed and the resolution may be violent either way. If we do get another round of QE or stimulus in the West, then Asia will do very well. If not, then western markets are in for a poor time and Asia will struggle to resist the sentiment. If all other things were equal in Europe, then Asia would be offering some great investment opportunities now and indeed our bottom up research in our favoured themes is largely very encouraging.

The bottom line is that we wait with some cash in hand and are amassing a list of stocks which we would like to buy if we get a deflationary scare. We don't think we will be waiting much longer and the resolution will be this quarter.

Portfolio

The fund's two largest Indian holdings are Lanco, India's second largest independent power producer and the Rural Electrification Corporation of India. Merchant power prices reached nearly 7 rupees per kwh in March versus a long term contracted price of 2-3 rupees. This illustrates firstly the ongoing acute power deficiency in India and secondly how REC which finances power expansion is in an excellent position. It funds at 7%, with an implicit government guarantee, and lends at 12% and more, generating an ROE of 21% against a price to book multiple of only 2 times. This price seems to reflect historic concerns over insolvent state utility boards. The government in India has long since realised that powering India is better achieved through solvent rather than insolvent grid operators hence we remain very optimistic with REC and this overall theme.

The Fund's telecom investments have proved relatively defensive and we are starting to see the analyst community beginning to recognize that voice revenue per user declines is not perpetual and that data revenues are now significant. We would expect this to be the start of a string of data points that will occur this year as the spotlight returns to this unloved and incredibly cheap sector.

As at the end of June the fund stands at over 70% invested. Over half of this is invested in Indian, Chinese and Korean brands which includes a wide range of companies benefiting from Asia's resilient domestic demand, including cosmetics, convenience stores, internet gaming, aviation, tourism, and gambling. Telecoms or network access accounts for 17% of the fund and the balance is in healthcare, food, handsets and Taiwan/China cross straits beneficiaries.

The PE of the portfolio at the end of June was 12x 2011, with 13% earnings growth forecast for that year.

We would like to thank all our investors for their continued support.

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Balance Sheet

	Note	As at 30 June 2010 USD	As at 31 December 2009 USD
Current Assets:			
Financial Assets, at cost		184,207,363	349,746,945
Financial Assets, at fair value through profit or loss	10	190,126,139	390,203,287
Cash	5	66,713,616	93,536,695
Dividends and interest receivable		116,759	98,942
Receivable for capital shares issued		8,151,829	12,882,505
Receivable for issuance of redeemable participating shares		-	1,255,913
Other Assets		453,437	29,170
Total Assets:		265,561,780	498,006,512
Liabilities (amounts falling due within one year):			
Financial Liabilities, at fair value through profit or loss	10	8,503	1,488,167
Payable for Investments purchased		-	74,795,540
Payable for redemption of redeemable participating shares		-	234,968
Accrued Expenses:		-	-
Investment Management Fees	3	442,042	579,533
Net Performance Fees	3	5,720	188,041
Administration Fees	3	35,539	17,021
Custody Fees	3	88,720	174,146
Audit Fees		5,545	43,925
Directors' Fees	3	21,964	3,426
Other Fees		54,685	28,076
Liabilities (excluding Net assets attributable to holders of redeemable participating shares)		662,718	77,552,843
Net assets attributable to holders of redeemable participating shares	9	264,899,062	420,453,669

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Balance Sheet (continued)

	Notes	As at 30 June 2010 USD	As at 31 December 2009 USD
Class A Dollar Non-Distributing Class	9		
Net Assets		USD 148,244,846	USD 235,590,279
Outstanding redeemable participating shares		972,515	1,322,506
Net Asset Value per share		USD 152.43	USD 178.14
Class B Dollar Distributing Class	9		
Net Assets		USD 68,702,099	USD 115,256,121
Outstanding redeemable participating shares		450,463	646,746
Net Asset Value per share		USD 152.51	USD 178.21
Class C Sterling Distributing Class	9		
Net Assets		GBP 18,147,968	GBP 43,090,380
Outstanding redeemable participating shares		219,338	443,995
Net Asset Value per share		GBP 82.74	GBP 97.05
Class D Singapore Dollar Distributing Class	9		
Net Assets		SGD 28,880,676	-
Outstanding redeemable participating shares		136,260	-
Net Asset Value per share		SGD 211.95	-

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

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Income Statement

	Note	Period ended 30 June 2010 USD	Period ended 30 June 2009 USD
Investment Income:			
Dividend Income		2,610,420	1,396,373
Withholding Tax		(138,247)	(124,623)
Interest Income		77,976	84,450
Net realised gains/(loss) on Financial Assets and Liabilities at fair value through profit or loss		(55,751,313)	50,748,948
Total (Loss)/Income:		(53,201,164)	52,105,148
Expenses:			
Investment Management Fees	3	2,422,442	2,209,092
Performance Fees	3	16,727	123,576
Administration Fees	3	80,412	88,682
Custody Fees	3	176,075	82,980
Audit Fees		28,028	16,701
Directors' Fees	3	29,427	29,793
Legal Fees		30,247	6,186
Miscellaneous Fees		206,675	35,593
Transaction Costs		2,930,512	2,810,754
Total Expenses		5,920,545	5,403,357
Net (Loss)/Profit		(59,121,709)	46,701,791

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

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

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Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares

	Note	Period ended 30 June 2010 USD	Period ended 30 June 2009 USD
Net (Loss)/Profit		(59,121,709)	46,701,791
Capital Share Transactions of redeemable participating shares:			
Proceeds from issuance of redeemable participating shares	2	72,873,503	151,525,230
Equalisation on issuance of redeemable participating shares		-	-
Payments on redemption of redeemable participating shares	2	(169,306,401)	(43,512,653)
Net increase/(decrease) from capital shares transactions of redeemable participating shares		(96,432,898)	108,012,577
Net (decrease)/increase in Net assets attributable to holders of redeemable participating shares		(155,554,607)	154,714,368
Net assets attributable to holders of redeemable participating shares at the beginning of the period		420,453,669	231,948,996
Net assets attributable to holders of redeemable participating shares at the end of the period		264,899,062	386,663,364

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

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Notes to the Financial Statements

1 Accounting Policies

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

Basis of Presentation 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 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003, as amended. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board ("ASB").

The format and certain wordings of the financial statements have been adapted from those contained in the Companies (Amendment) Act, 1986 and FRS 3 "Reporting Financial Performance" so that, in the opinion of the Directors, they may more appropriately reflect the nature of the Company's business as an investment fund. The Company has availed of the exemption available to open-ended investment funds under FRS 1 not to prepare a cash flow statement. The financial statements have been prepared on a consistent basis with the prior year end accounts.

Financial Instrument Measurement

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.

During the period ended 30 June 2010 the accounting policy used to calculate realised gains and losses on the sale of investments changed from the First in, First out ("FIFO") basis to the Weighted Average Cost basis. The Administrator has advised the Directors that the change of basis to Weighted Average Cost does not require restatement of the realised gains and losses on the sale of investments in prior accounting periods.

Forward Foreign Exchange Contracts

Forward foreign exchange 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 a new forward contract of the same size and maturity could be undertaken. The forward foreign exchange contracts held by the Company as at 30 June 2010 are included in the Portfolio 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 Income Statement. The futures contracts held by the Company at 30 June 2010 are included in the Portfolio of Investments.

Distributions Payable to Holders of Redeemable Participating Shares

Certification of UK Distributor Status was received from HM Revenue & Customs ("HMRC") for the year ended 31 December 2008. The Directors propose to distribute at least 85 per cent of the net investment income of the Class B Dollar Distributing Class and the Class C Sterling Distributing Class of the Company and intend that the Company will apply to the HM Revenue & Customs in the UK for Distributor Status, for the year ended 31 December 2009. 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.

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Notes to the Financial Statements (continued)

1 Accounting Policies (continued)

Distributions Payable to Holders of Redeemable Participating Shares (continued)

Distributions to holders of redeemable participating shares are recorded in the Income Statement as Finance Costs when paid. As at 30 June 2010 and 30 June 2009, no distributions were paid or payable from the Company.

The Company received Reporting Fund status from HMRC with effect from the 1st January 2010.

2 Share Capital

Redeemable Participating Share Transaction

The movement in the number of redeemable participating shares for the period ended 30 June 2010 is as follows:

	Class A Dollar Non-Distributing Class		Class B Dollar Distributing Class	
	Shares	USD	Shares	USD
At the beginning of the period	1,322,506	188,843,431	646,746	81,413,419
Issued	210,003	36,203,702	70,037	11,333,045
Equalisation	-	-	-	-
Redeemed	(559,994)	(93,242,057)	(266,320)	(42,995,431)
At the end of the period	972,515	131,805,076	450,463	49,751,033

	Class C Sterling Distributing Class		Class D Singapore Dollar Distributing Class	
	Shares	USD	Shares	USD
At the beginning of the period	443,995	59,290,111	0.00	0.00
Issued	19,760	2,556,799	137,882	22,779,957
Equalisation	-	-	-	-
Redeemed	(244,417)	(32,821,214)	(1,622)	(247,699)
At the end of the period	219,338	29,025,696	136,260	22,532,258

The movement in the number of redeemable participating shares for the period ended 30 June 2009 is as follows:

	Class A Dollar Non-Distributing Class		Class B Dollar Distributing Class	
	Shares	USD	Shares	USD
At the beginning of the period	1,068,085	158,238,668	436,080	51,244,113
Issued	648,862	92,494,684	227,187	32,652,974
Equalisation	-	-	-	-
Redeemed	(217,027)	(31,986,095)	(45,249)	(7,284,924)
At the end of the period	1,499,920	218,747,257	618,018	76,612,163

	Class C Sterling Distributing Class	
	Shares	USD
At the beginning of the period	181,486	22,787,784
Issued	199,908	26,377,572
Equalisation	-	-
Redeemed	(32,206)	(4,241,635)
At the end of the period	349,188	44,923,721

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Notes to the Financial Statements (continued)

2 Share Capital (continued)

Redeemable Participating Share Transaction (continued)

Application for redemption of 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 net asset value per share based on last traded prices.

Holders of Participating Shares of Class B Dollar Distributing Class and Class C Sterling 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 Net Asset Value per share of the Company.

3 Significant Agreements and Related Party Transaction

Investment Management Fees

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

Total management fees for the period ended 30 June 2010 were USD 2,422,442 (2009: USD 2,209,092) and the amount payable at the period end was USD 442,042 (2009: USD 579,533).

Performance Fee/Equalisation

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 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. The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value before deduction for any accrued Performance Fees.

Equalisation arises if shares are subscribed for at a time when the Net Asset Value per Share is greater than the Peak Net Asset Value per Share for performance fee calculation purposes. The investor will be required to pay an amount in excess of the then current Net Asset Value per Share equal to 10% of the difference between the then current Net Asset Value per Share (before accrual for the Performance Fee) and the Peak Net Asset Value per Share (an “Equalisation Credit”).

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% over a calculation period.

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 Balance Sheet.

Administrator Fees

The Company pays the Administrator fees in the amount of 0.05% of the Net Asset Value of the Company, (plus VAT, if any), subject to a minimum monthly charge of US\$12,500.

The Administrator’s fees will be accrued at each Valuation Point and will be payable monthly in arrears. Details of the Administrator fees payable at the end of the period are included in the Balance Sheet.

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Notes to the Financial Statements (continued)

3 Significant Agreement and Related Party Transaction (continued)

Custodian Fees

The Company will pay Brown Brothers Harriman Trustee Services (Ireland) Limited (the “Custodian”) a trustee fee of 0.02% of the Net Asset Value of the Company. The Custodian will also receive a custody fee ranging from 0.01% to 0.09% calculated by reference to the market value of the investments that the Company may make in each relevant market. The Custodian fees are payable monthly in arrears, subject to a minimum charge of USD 36,000 per annum. Details of the Custodian fees payable at the end of the period are included in the Balance Sheet.

4 Related Parties

Directors

Heather Manners is Chief Investment Officer of the Investment Manager. Details of the Investment Management fees and Performance fees charged to the Company and payable at the end of the period are included in the Income Statement and Balance Sheet respectively. David Hammond is a Director of Bridge Consulting, a financial services consultancy and business advisory firm, which earned fees of USD 16,811 for the period (2009: USD 17,496) , for the provision of services relating to the Company’s governance requirements under the UCITS Regulations.

The Directors of the Company shall be entitled to a fee in remuneration for their services of Euro 15,000 (plus VAT, if any) for the year. In addition the Directors may be entitled to special remuneration if called upon to perform any special or extra services to the Company. All Directors will be entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties. Details of the Directors fees payable at the end of year are included in the Balance Sheet. Heather Manners has waived her fees for the period ended 30 June 2010.

All transactions which the Company has entered into with related parties, Directors of the Company or any party in which a Director has a material interest have been made in the ordinary course of business and on normal commercial terms.

Directors & Related Parties Interests

The following Directors and related parties held shares in the Company as at 30 June 2010:

Prusik Asia Fund	Shares	Class
Edward Buckley (Partner of the Investment Manager)	1,614	Class D Singapore Dollar Distributing Class
David Hammond (Family members)	933	Class B Dollar Distributing Class
Richard Hayes (Director)	2,074	Class A Dollar Non-Distributing Class
Richard Hayes (Family members)	330	Class A Dollar Non-Distributing Class
Heather Manners (Director & Partner of the Investment Manager)	4,096	Class D Singapore Dollar Distributing Class
Prusik Investment Management LLP	3,462	Class D Singapore Dollar Distributing Class

The following Directors and related parties held shares in the Company as at 31 December 2009:

Prusik Asia Fund	Shares	Class
Edward Buckley (Partner of the Investment Manager)	1,820	Class C Sterling Distributing Class
David Hammond (Family members)	933	Class B Dollar Distributing Class
Richard Hayes (Director)	2,074	Class A Dollar Non-Distributing Class
Richard Hayes (Family members)	330	Class A Dollar Non-Distributing Class
Heather Manners (Director & Partner of the Investment Manager)	4,825	Class C Sterling Distributing Class
Prusik Investment Management LLP	4,038	Class C Sterling Distributing Class

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Notes to the Financial Statements (continued)

5 Cash at Bank

All cash balances were held under the control of the Custodian for the period ended 30 June 2010 and 30 June 2009.

6 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 resident 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 years beginning with the acquisition of a Share by a shareholder and each subsequent period of eight years beginning immediately after the preceding relevant period.

7 Soft Commission Agreements

The Investment Manager may effect transactions by or through the agency of another person with whom the Investment Manager has an arrangement under which that party will, from time to time, provide to or procure for the Investment Manager goods, services or other benefits such as research and advisory services, specialised computer hardware or software. No direct payment may be made for such goods or services but the Investment Manager may undertake to place business with that person provided that person has agreed to provide best execution with respect to such business and the services provided must be of a type which assists in the provision of investment services to the Company.

During the periods ending 30 June 2010 and 30 June 2009, there were no soft commission transactions.

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Notes to the Financial Statements (continued)

8 Exchange Rates

The functional and reporting currency of the Company is U.S. Dollars. The Company prepares its valuation in U.S. Dollars.

The following exchange rates have been used to translate assets and liabilities in currencies other than U.S. Dollars as at:

30 June 2010	For USD 1.00	31 December 2009	For USD 1.00
Australian Dollar	1.1839	Australian Dollar	1.1110
Hong Kong Dollar	7.7871	Hong Kong Dollar	7.7544
Indian Rupee	46.4447	Indian Rupee	46.53
Korean Won	1,221.9710	Korean Won	1165.05
Pound Sterling	0.6684	Pound Sterling	0.6191
Singapore Dollar	1.3961	Singapore Dollar	1.4018
Taiwan Dollar	32.1316	Taiwan Dollar	31.992

9 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 statement purposes are required by FRS 26 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 2010 and 31 December 2009, the difference between the NAV required by FRS 26 and the NAV at which redeemable shares are issued and redeemed is detailed in the table below.

	30 June 2010	31 December 2009
Net Asset value reconciliation	USD	USD
Valuation in accordance with Prospectus	264,995,606	420,361,006
Adjustment for bid and offer pricing	(96,544)	92,663
Valuation in accordance with FRS26	264,899,062	420,453,669

Net Assets and NAV per share for dealing purposes		30 June 2010		30 June 2010
		Net Assets		NAV per Share
Class A Dollar Non-Distributing Class	USD	148,298,875	USD	152.49
Class B Dollar Distributing Class	USD	68,727,133	USD	152.57
Class C Sterling Distributing Class	GBP	18,154,583	GBP	82.77
Class D Singapore Dollar Distributing Class	SGD	28,891,201	SGD	212.03

Net Assets and NAV per share for dealing purposes		31 December 2009		31 December 2009
		Net Assets		NAV per Share
Class A Dollar Non-Distributing Class	USD	235,538,369	USD	178.10
Class B Dollar Distributing Class	USD	115,230,724	USD	178.17
Class C Sterling Distributing Class	GBP	43,080,873	GBP	97.03

Prusik Asia Fund plc

Condensed Semi-Annual Report and Unaudited Financial Statements

Notes to the Financial Statements (continued)

10 Portfolio Analysis

As at 30 June 2010	Market Value USD	% of Net Asset Value
Transferable securities admitted to an official exchange listing	174,392,663	65.83
Transferable securities dealt on another regulated market	14,915,943	5.63
Financial derivative instruments, OTC	789,044	0.30
Financial derivative instruments, traded in a regulated market	28,489	0.01
Total Financial Assets at fair value through profit or loss	190,126,139	71.77

Financial derivative instruments (Future Contracts) Liabilities	(8,503)	(0.00)
Total Financial Liabilities at fair value through profit or loss	(8,503)	(0.00)

As at 31 December 2009	Market Value USD	% of Net Asset Value
Transferable securities admitted to an official exchange listing	345,229,659	82.10
Transferable securities dealt on another regulated market	44,973,628	10.70
Financial derivative instruments, OTC	(1,488,167)	(0.35)
Financial derivative instruments, traded in a regulated market	-	-
Total Financial Assets at fair value through profit or loss	388,715,120	92.45

11 Comparatives

The comparative figures are for the period ended 30 June 2009 and for the year ended 31 December 2009.

12 Significant Events During The Period

The Shares in Class D Singapore Dollar Distributing Class were first issued on 22 January 2010.

A new addendum to the prospectus was filed with the Financial Regulator on 11 February 2010 detailing the below new share classes available for subscription.

Class N Dollar Non Distributing Class

Class O Dollar Distributing Class

Class P Sterling Distributing Class

Class Q Singapore Dollar Distributing Class

13 Subsequent Events

There were no material post balance sheet events since 30 June 2010.

14 Approval of the Financial Statements

The financial statements were approved by the Directors on 25 August 2010.

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Portfolio of Investments

As at 30 June 2010

Financial Assets at fair value through profit or loss	Shares	Value USD	Percent of Net Assets
Common Stocks & Equity Linked Notes			
China/Hong Kong			
Communications (2009: USD 47,152,860; 11.22%)			
China Mobile Ltd.	900,000	9,005,777	3.40
AsiaInfo Holdings Inc.	100,000	2,166,000	0.82
		<u>11,171,777</u>	<u>4.22</u>
Consumer, Cyclical (2009: USD 38,532,247; 9.16%)			
Belle International Holdings Ltd.	5,782,000	8,238,793	3.11
Li Ning Co., Ltd.	2,020,000	6,677,150	2.52
		<u>14,915,943</u>	<u>5.63</u>
Financial (2009: USD 35,587,834; 9.18%)			
Agile Property Holdings Ltd.	3,008,000	3,127,702	1.18
China Overseas Land & Investment Ltd.	2,434,000	4,586,793	1.73
Industrial & Commercial Bank of China	9,480,000	6,973,094	2.63
		<u>14,687,589</u>	<u>5.54</u>
Utilities (2009: USD 0; 0%)			
Hongkong Electric Holdings Ltd.	1,700,000	10,093,068	3.81
		<u>10,093,068</u>	<u>3.81</u>
Total China/Hong Kong (2009: USD 124,272,941; 29.56%)		<u>50,868,377</u>	<u>19.20</u>
India			
Consumer, Non-cyclical (2009: USD 27,428,625; 6.52%)			
Dr Reddys Laboratories Ltd.	120,000	3,738,382	1.41
		<u>3,738,382</u>	<u>1.41</u>
Financial (2009: USD 10,305,824; 2.45%)			
Housing Development Finance Corp.	109,000	6,913,339	2.61
Rural Electrification Corp., Ltd.	1,520,000	9,934,940	3.75
		<u>16,848,279</u>	<u>6.36</u>
Industrial (2009: USD 0; 0%)			
Bharat Heavy Electricals Ltd.	145,000	7,658,670	2.89
		<u>7,658,670</u>	<u>2.89</u>
Utilities (2009: USD 14,253,277; 3.39%)			
Lanco Infratech Ltd.	5,700,000	8,191,911	3.09
		<u>8,191,911</u>	<u>3.09</u>
Total India (2009: USD 51,987,726; 12.36%)		<u>36,437,242</u>	<u>13.75</u>

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Portfolio of Investments (continued)

As of 30 June 2010

Financial Assets at fair value through profit or loss (continued)	Shares	Value USD	Percent of Net Assets
Common Stocks & Equity Linked Notes (continued)			
Malaysia			
Communications (2009: USD 0; 0%)			
Axiata Group Bhd	3,002,300	3,623,146	1.37
DiGi.Com Bhd	490,000	3,430,000	1.29
Maxis Bhd	3,100,000	5,067,492	1.91
		12,120,638	4.57
Total Malaysia (2009: USD 0; 0%)		12,120,638	4.57
Philippines			
Communications (2009: USD 0; 0%)			
Philippine Long Distance Telephone Co	51,900	2,682,359	1.01
Total Philippines (2009: USD 0; 0%)		2,682,359	1.01
Singapore			
Communications (2009: USD 0; 0%)			
M1 Ltd./Singapore	2,121,000	3,265,424	1.23
Singapore Press Holdings Ltd.	1,750,000	4,758,993	1.80
Singapore Telecommunications Ltd.	1,377,000	3,001,662	1.13
StarHub Ltd.	2,400,000	3,867,626	1.46
		14,893,705	5.62
Consumer, Cyclical (2009: USD 0; 0%)			
Genting Singapore PLC	10,000,000	8,417,266	3.18
Consumer, Non-Cyclical (2009: USD 13,293,865; 3.16%)			
Golden Agri-Resources Ltd.	18,000,000	6,798,561	2.57
Financial (2009: USD 0; 0%)			
DBS Group Holdings Ltd.	300,000	3,047,482	1.15
Total Singapore (2009: USD 13,293,865; 3.16%)		33,157,014	12.52
South Korea			
Communications (2009: USD 15,338,355; 3.65%)			
KT Corp.	40,400	1,492,916	0.56
NCSOFT Corp.	32,000	5,316,702	2.01
		6,809,618	2.57

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Portfolio of Investments (continued)

As of 30 June 2010

Financial Assets at fair value through profit or loss (continued)	Shares	Value USD	Percent of Net Assets
Common Stocks & Equity Linked Notes (continued)			
South Korea (continued)			
Consumer, Non-Cyclical (2009: USD 0; 0%)			
Amorepacific Corp.	8,520	7,231,272	2.73
Celltrion Inc.	400,000	6,776,831	2.56
		14,008,103	5.29
Total South Korea (2009: USD 40,539,848; 9.64%)		20,817,721	7.86
Taiwan			
Basic Materials (2009: USD 9,224,181; 2.19%)			
Taiwan Fertilizer Co., Ltd.	2,370,000	6,273,747	2.37
Communications (2009: USD 0; 0%)			
Chunghwa Telecom Co., Ltd.	1,970,000	3,914,232	1.48
Far EasTone Telecommunications Co., Ltd.	2,546,000	3,143,846	1.19
Taiwan Mobile Co., Ltd.	1,555,000	3,176,830	1.20
		10,234,908	3.87
Consumer, Cyclical (2009: USD 27,531,751; 6.55%)			
President Chain Store Corp.	2,750,000	8,136,095	3.07
Industrial (2009: USD 44,862,381; 10.67%)			
Unimicron Technology Corp.	3,000,000	4,428,527	1.67
Technology (2009: USD 34,590,523; 8.23%)			
Taiwan Semiconductor Manufacturing Co., Ltd.	2,200,000	4,151,978	1.57
Total Taiwan (2009: USD 127,778,604; 30.39%)		33,225,255	12.55
Total Common Stocks & Equity Linked Notes (Cost USD 184,207,363)		189,308,606	71.46

Forward Currency Contracts open as of 30 June 2010

Currency Purchased	Principal Amount	Currency Sold	Currency Market value USD	Aggregate Face Value USD	Settle Date	Unrealised Gain USD	Percentage of Net Assets
GBP	17,748,461	USD	26,648,321	26,100,000	7-Sept-2010	548,321	0.21
SGD	28,782,360	USD	20,640,723	20,400,000	7-Sept-2010	240,723	0.09
Total Forward Currency Contracts				46,500,000		789,044	0.30

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Portfolio of Investments (continued)

As of 30 June 2010

Financial Assets at fair value through profit or loss (continued)

Futures Contracts

Contract Size	Security Description	Expiry Date	Unrealised Gain USD	% Net Assets
3	MSCI SING IX ETS	29-July-2010	10,968	0.00
2	MSCI SING IX ETS	29-July-2010	717	0.00
1	MSCI SING IX ETS	29-July-2010	5,620	0.00
4	MSCI SING IX ETS	29-July-2010	11,184	0.00
Unrealised gain on futures contracts as at 30 June 2010			28,489	0.01
Total financial assets at fair value through profit or loss			190,126,139	71.77

Financial Liabilities at fair value through profit or loss

Future Contracts

Contract Size	Security Description	Expiry Date	Unrealised (Loss) USD	% Net Assets
12	SGX CNX NIFTY ETS	29-July-2010	(2,706)	0.00
13	SGX CNX NIFTY ETS	29-July-2010	(480)	0.00
14	SGX CNX NIFTY ETS	29-July-2010	(78)	0.00
5	SGX CNX NIFTY ETS	29-July-2010	(616)	0.00
6	SGX CNX NIFTY ETS	29-July-2010	(660)	0.00
11	SGX CNX NIFTY ETS	29-July-2010	(168)	0.00
7	SGX CNX NIFTY ETS	29-July-2010	(1,225)	0.00
9	SGX CNX NIFTY ETS	29-July-2010	(470)	0.00
8	SGX CNX NIFTY ETS	29-July-2010	(480)	0.00
10	SGX CNX NIFTY ETS	29-July-2010	(1,620)	0.00
Unrealised (loss) on futures contracts as at 30 June 2010			(8,503)	0.00
Total financial liabilities at fair value through profit or loss			(8,503)	0.00

Other net assets	74,781,426	28.23
Net assets attributable to holders of redeemable participating shares	264,899,062	100.00

The counterparty for all forward currency contracts is Brown Brothers Harriman & Co.

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Statements of Changes in Composition of Portfolio

Major Purchases for the period ended 30 June 2010	Shares or Principal Amount or Par	Cost USD
Industrial & Commercial Bank of China	30,500,000	22,365,767
Incitec Pivot Ltd.	5,550,000	17,809,090
Vodone Ltd.	50,192,000	15,077,109
Singapore Press Holdings Ltd.	5,450,000	14,776,035
Taiwan Fertilizer Co., Ltd.	4,370,000	14,194,705
Foxconn International Holdings Ltd.	9,575,000	13,215,591
Sinofert Holdings Ltd.	19,340,000	12,895,688
Newcrest Mining Ltd.	375,000	12,700,923
Li Ning Co., Ltd.	3,531,000	12,699,638
Zijin Mining Group., Ltd.	11,800,000	12,602,643
Samsung Electronics Co., Ltd.	17,000	12,535,403
Celltrion Inc.	840,000	12,433,407
Asiainfo Holding Inc.	515,000	12,205,930
Wilmar International Ltd.	2,500,000	12,048,859
China Mobile Ltd.	1,220,000	11,745,422
Wintek Corp.	14,400,000	11,664,450
Tencent Holdings Ltd.	620,000	11,523,754
Hong Kong Electric Holdings Ltd.	1,950,000	11,349,127
News Corp.	700,000	11,302,795
China Construction Bank Corp.	14,200,000	11,265,956
Doosan Heavy Industries and Construction Co., Ltd.	148,000	11,102,079
KWG Property Holding Ltd.	22,304,000	11,055,406
Siam Cement Co.	1,300,000	10,427,511
Keppel Corp.	1,542,000	10,159,977
Taiwan Semiconductor Manufacturing. Co., Ltd.	5,000,000	9,441,905
Perfect World Co.	245,000	9,379,812
Media Tek, Inc.	575,000	9,310,471
Maxis Communications Bhd	5,650,000	9,171,760
Rural Electrification Corp., Ltd.	1,640,000	8,871,866
LG Electronics, Inc.	100,000	8,592,426
Belle International Holdings	5,782,000	8,383,494
Lanco Infratch Ltd.	5,715,000	8,267,953
iShares Asia Trust – iShares FTSE/Xinhua A50 China Tracker	5,450,000	8,241,420
Straits Asia Resources	5,162,000	8,077,356
Genting Singapore Plc	10,000,000	7,989,343
China Bluechemical Ltd.	11,600,000	7,905,738
Elk Corp.	359,300	7,743,359
China Dongxiang Group Co.	11,561,000	7,677,324
Bharat Heavy Elect Ltd.	145,000	7,663,016
Young Fast Optoelectronics Co., Ltd.	825,000	7,630,577
Kasikornbank Plc.	2,800,000	7,608,261
Bangkok Bank Plc.	2,080,000	7,585,705
Shimao Property Holdings Ltd.	4,245,000	7,488,892
China Unicom Hong Kong Ltd.	6,100,000	7,464,073

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Statements of Changes in Composition of Portfolio (continued)

Major Purchases for the period ended 30 June 2010	Shares or Principal Amount or Par	Cost USD
Richtek Technology Corp.	770,000	7,334,110
LG Display Co., Ltd.	180,000	7,034,335
Golden Agri Resources	18,000,000	6,994,831
Rio Tinto Ltd.	120,000	6,939,274
Sun Hung Kai Properties Ltd.	450,000	6,931,862
President Chain Store Corp.	2,750,000	6,859,688
Housing Develop Fin. Corp., Ltd.	109,000	6,854,572
Amorepacific Corp.	8,520	6,832,816
Capitaland Ltd.	2,300,000	6,726,709
Advanced Info Service Plc	2,481,000	6,478,483
Hon Hai Precision Industry	1,350,000	6,452,097
Unimicron Technology	4,300,000	6,294,941

This statement details all aggregate purchases in excess of 1% of the total value of purchases. At a minimum the top twenty purchases are disclosed.

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Statements of Changes in Composition of Portfolio (continued)

Major Sales for the period ended 30 June 2010	Shares or Principal Amount or Par	Proceeds USD
KWG Property Holdings Ltd.	37,404,000	26,241,765
Samsung Electronics Co., Ltd.	35,500	23,922,351
Doosan Heavy Industries and Construction Co., Ltd.	328,000	23,397,042
Tencent Holdings Ltd.	1,210,000	22,903,379
Richtek Technology Corp.	2,290,000	21,711,226
Asiainfo Holding Inc.	834,000	20,234,646
China Dongxiang Group Co.	29,344,000	18,820,248
Rio Tinto Ltd.	302,093	18,603,542
Media Tek, Inc.	1,075,000	17,807,038
Dr.Reddy's Laboratories Ltd.	675,000	16,205,638
E Ink Holdings Inc.	7,329,000	15,844,036
Rural Electrification Corp., Ltd.	2,895,000	15,544,294
Industrial & Commercial Bank China	21,020,000	14,926,814
Danal Co., Ltd.	1,008,500	14,281,349
Vodone Ltd.	50,192,000	14,194,737
Dynapack International Technology Corp.	4,825,000	13,847,185
Taiwan Fertilizer Co., Ltd.	4,600,000	13,627,666
Incitec Pivot Ltd.	4,300,000	12,685,340
Largan Precision Co., Ltd.	988,000	12,448,813
Lanco Infratch Ltd.	11,650,000	12,323,567
Indofood Agri Resources Ltd.	7,998,000	12,265,763
Shree Renuka Sugars Ltd.	2,710,000	12,200,151
Wintek Corp.	14,400,000	12,139,166
BBMG Corp.	11,450,000	12,108,506
Baidu Inc./China	29,500	12,061,104
Sinofert Holdings Ltd.	19,340,000	11,883,198
Agile Property Holdings Ltd.	8,000,000	11,626,265
Far Eastern Department Stores Co., Ltd.	11,350,000	11,441,050
Far Eastern New Century Corp.	11,635,000	11,356,283
Newcrest Mining Ltd.	375,000	11,274,395
China Travel International.	37,688,000	11,007,260
Foxconn International Holdings Ltd.	9,575,000	10,987,782
News Corp.	700,000	10,830,943
Wilmar International Ltd.	2,500,000	10,596,122
China Construction Bank Corp.	14,200,000	10,588,659
Zijin Mining Group., Ltd.	11,800,000	10,457,907
Siam Cement Co.	1,300,000	10,190,163
Keppel Corp.	1,542,000	10,173,698
Foxconn Technology Co., Ltd.	2,670,000	10,085,006
Singapore Press Holdings Ltd.	3,700,000	10,023,402
Ctrip.com International Ltd.	247,000	8,728,921
Skyworth Digital Holdings Ltd.	9,500,000	8,625,043

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Statements of Changes in Composition of Portfolio (continued)

Major Sales for the period ended 30 June 2010	Shares or Principal Amount or Par	Proceeds USD
Perfect World Co.	245,000	8,460,543
LG Electronics, Inc.	100,000	8,281,831
iShares Asia Trust – iShares FTSE/Xinhua A50 China Tracker	5,450,000	8,153,161
Kasikornbank Plc.	2,800,000	8,048,580
Young Fast Optoelectronics Co., Ltd.	825,000	7,783,539
Celltrion Inc.	440,000	7,644,132
Bangkok Bank Plc.	2,080,000	7,596,707

This statement details all aggregate sales in excess of 1% of the total value of sales. At a minimum the top twenty sales are disclosed.

Prusik Asia Fund plc

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Heather Manners
Richard Hayes

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