

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)

**Annual Report and Audited Financial Statements
For the Financial Year Ended 31 December, 2015**

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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 Part 24 of the Companies Act 2014 and authorized by the Central Bank (Supervision and Enforcement) Act 2013 (section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (S.I. No. 420 of 2015) (the “Central Bank 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 six 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 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 (“Dealing Day”). The valuation point is 11.00 am (Irish time) on each Dealing Day.

The most recent Prospectus of the Company is dated 24 December 2014.

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 also invest in certain securities and markets, using forms of indirect investment including, but not limited to Real Estate Investment Trusts (“REITS”), where such investment represents a more practical, efficient or less costly way of gaining exposure to the relevant security or market.

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, total return 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.

DIRECTORS' REPORT

The Directors have pleasure in submitting their annual report together with the audited financial statements for Prusik Asia Fund plc (the "Company") for the financial year ended 31 December 2015.

Directors' Responsibility Statement

Irish company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the assets, liabilities and financial position of the Company and of the profit or loss of the Company for that year. Under that law, the Directors have elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable law and the accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing financial statements, the Directors confirm that:

- there is no relevant audit information of which the Company's statutory auditors are unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company, and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland, and comply with the Irish Companies Act 2014 (the "Companies Act") and the Central Bank (Supervision and Enforcement) Act 2013 (section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (S.I. No. 420 of 2015) (the "Central Bank UCITS Regulations"). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under the Central Bank UCITS Regulations, the Directors are required to entrust the assets of the Company to the Custodian for safe-keeping. In carrying out this duty, the Company has delegated custody of the Company's assets to Brown Brothers Harriman Trustee Services (Ireland) Limited (the "Custodian").

Accounting Records

The measures taken by the Directors to secure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at Brown Brothers Harriman Fund Administration Services (Ireland) Limited, 30 Herbert Street, Dublin 2, Ireland.

Directors

The names of the persons who were Directors at any time during the year to 31 December 2015 are set out below.

Heather Manners
David Hammond
Richard Hayes
Anthony Morris (Alternate Director)

DIRECTORS' REPORT (CONTINUED)

Directors' and Secretary's Interests

The following Directors and their Family members held Shares in the Company as at 31 December 2015:

Heather Manners	11,966	Class E Singapore Dollar Distributing Class
David Hammond (Family members)	835	Class A Dollar Non-Distributing Class
Richard Hayes	1,262	Class E Singapore Dollar Distributing Class
Tony Morris	3000	Class E Singapore Dollar Distributing Class
Tony Morris (Family members)	98	Class U Sterling Unhedged Distributing Class

Other than those disclosed above, none of the Directors, the Secretary, nor their families hold or held any beneficial interests in the Company at 31 December 2015 or during the year.

Connected Parties

In accordance with the Central Bank UCITS Regulations 41(1), any transaction carried out with the Company by the Investment Manager, the Custodian and/or associated or group companies of these entities ("connected parties") must be carried out as if negotiated at arm's length. Such transactions must be in the best interest of the shareholders of the Company.

The Board of Directors of the Company is satisfied that (i) there are arrangements (evidenced by written procedures) in place to ensure that the obligations set out above are applied to all transactions with connected parties; and (ii) transactions with connected parties entered into during the year complied with these obligations.

Results, Activities and Future Developments

A review of the principal activities is included in the Investment Manager's Report.

Details of the assets, liabilities and financial position of the Company and results for the year ended 31 December 2015 are set out on pages 15 to 17. The Net Assets Attributable to Holders of Redeemable Participating Shares (for financial statement purposes) as at 31 December 2015 was US Dollar ("USD") 64,024,083 (USD 92,752,599*: 31 December 2014). The Company will continue to pursue its objectives as set out in detail in the Prospectus.

Dividend and Distributions

The Directors have discretion from time to time to declare such distributions as may appear to them to be justified out of the net income accruing to the Fund in respect of each class of Shares of the Company. The Company has been granted reporting fund status by Her Majesty's Revenue and Customs ("HMRC"). There were no distributions paid during the year ended 31 December 2015 (USD Nil: 31 December 2014).

Risk Management

The risks defined by Financial Reporting Standard FRS 102 "Financial Instruments: Disclosures" ("FRS 102"), arising from the Company's financial instruments are market risk (including market price risk, currency risk and interest rate risk), credit risk and liquidity risk. Details of these risks and how they are monitored, and where possible, managed by the Company, are set out in Note 14 "Financial Risk Management" on pages 30 to 36.

Independent Auditors

The independent auditors, Ernst & Young Chartered Accountants, have indicated their willingness to continue in office in accordance with section 383(2) of the Companies Act 2014.

Events during the Year

There were no events during the year that had a material effect on the financial statements.

Events since the Year End

In order to present performance data of the Relevant Share Class in a more transparent manner, from 31 March 2016, a change has been made in the Performance Index used in the calculation of performance data from MXAPJ to the MSCI Asia Pacific ex-Japan Gross Return USD Index ("M2APJ").

*Prior year figures have been restated to comply with recent updates to accounting standards. Refer to summary of significant accounting policies for further information.

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement

The Company is subject to and complies with Irish statute comprising the Companies Act, the Central Bank UCITS Regulations as applicable to investment funds. The Board of Directors (the "Board") voluntarily adopted the Corporate Governance Code for Irish Domiciled Collective Investment Schemes as published by the Irish Funds (the "IF Code") which came into effect on 1 January 2012. The Board has assessed the measures included in the IF Code as being consistent with its corporate governance practices and procedures for the financial year and there are no exceptions to be noted. Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

Financial Reporting Process - Description of Main Features

The Board is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Administrator to maintain the books and records. The Administrator is authorised and regulated by the Central Bank and must comply with the rules imposed by the Central Bank. The Administrator is also contractually obliged to prepare, for review and approval by the Board, the annual report, including financial statements intended to give a true and fair view, and the half yearly financial statements.

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board may also examine and evaluate the Administrator's financial accounting and reporting routines while the Administrator has the responsibility in respect of monitoring the internal controls in relation to the financial reporting process.

Risk Assessment

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board relies on the Administrator to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

Control Activities

The Administrator maintains control structures to manage the risks over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report. Examples of control activities exercised by the Administrator include analytical review procedures, reconciliations and automated controls over IT systems.

Information and Communication

The Company's policies and the Board's consideration of areas of relevance for financial reporting on an annual basis are updated and communicated via appropriate channels, such as e-mail, correspondence and meetings to ensure that all financial reporting information requirements are met in a complete and accurate manner.

Monitoring

The Board receives regular presentations and reviews reports from the Custodian, Investment Manager and Administrator. The Board relies on the Administrator's process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the Auditors.

Capital Structure

No person has any special rights of control over the Company's share capital.

There are no restrictions on voting rights.

Powers of the Directors

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, Irish statute comprising the Companies Act and the Central Bank UCITS Regulations as applicable to investment funds. The Articles of Association themselves may be amended by special resolution of the Shareholders.

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

Shareholder Meetings

The Annual General Meeting of the Company will usually be held in Ireland, normally within six months of the end of each financial year. Notice convening the Annual General Meeting in each year at which the audited financial statements of the Company will be presented (together with the Directors' and Independent Auditors' Reports of the Company) will be sent to Shareholders at their registered addresses not less than 21 clear days before the date fixed for the meeting. Other general meetings may be convened from time to time by the Directors in such manner as provided by Irish law.

Each of the Shares entitles the holder to attend and vote at meetings of the Company represented by those Shares. Matters may be determined by a meeting of Shareholders on a show of hands unless a poll is requested by any Shareholder having the right to vote at the meeting or unless the chairman of the meeting requests a poll. Each Shareholder has one vote on a show of hands. Each Share gives the holder one vote in relation to any matters relating to the Company which are submitted to Shareholders for a vote by poll.

No class of shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other share class or any voting rights in relation to matters relating solely to any other share class.

Any resolution to alter the class rights of the Shares requires the approval of three quarters of the holders of the Shares represented or present and voting at a general meeting of the class. The quorum for any general meeting of the class convened to consider any alteration to the class rights of the Shares shall be such number of Shareholders being two or more persons whose holdings comprise one third of the Shares.

Each of the Shares other than Subscriber Shares entitles the Shareholder to participate equally on a pro-rata basis in the dividends and net assets of the Fund in respect of which the Shares have been issued, save in the case of dividends declared prior to becoming a Shareholder.

Subscriber Shares entitle the Shareholders holding them to attend and vote at all general meetings of the Company but do not entitle the holders to participate in the dividends or net assets of the Company.

Composition and Operation of Board and Committees

There are currently three Directors and one alternate Director, all of whom are Non-Executive Directors and two of whom are independent of the Investment Manager as required by the Irish Stock Exchange Listing Rules for investment funds. The Directors may be removed by the shareholders by ordinary resolution in accordance with the procedures established under the Companies Act. The Board meets at least quarterly. There are no sub-committees of the Board.

On behalf of the Board of Directors

Richard Hayes
Director
25 April 2016

David Hammond
Director

INVESTMENT MANAGER'S REPORT

2015 Review

The Prusik Asia Fund returned -3.0% in 2015, outperforming the -8.9% MXAPJ index return by 5.8%. While returns on an absolute basis were disappointing, the relative performance of the fund was nevertheless very solid. We would also like to highlight that the end of 2015 marks the fourth full year of running the fund on a relative return mandate. Both absolute and relative returns for the Prusik Asia Fund from 31st December 2011 to 31st December 2015 are very good indeed. The fund's total return for the 4 year period stands at 42.7%, or 21.7% ahead of the MXAPJ index return of 21.0% (Source: Bloomberg). This puts us in the top decile for performance within the Investment Association (IA) Asia Pacific Ex-Japan Sector.

In 1Q15 the Prusik Asia Fund rose by 2.9%, underperforming the 4.5% index return by 1.7%. Vietnam, one of our key themes in the fund was weak in the quarter and our holdings in the financial sector, including insurance company **Bao Viet Holdings** and brokerage **Saigon Securities**, sold off more than the market. We also realised some year to date losses from exiting our investments in the Indian 2 wheeler companies in order to invest in an Indian consumer company, although the former had generated positive returns since purchase. On the positive side, a number of our holdings in China which sit within our favourite themes – smart textiles, China internet and leisure and tourism – saw good returns in the quarter.

Strong returns in China which began in 1Q15 accelerated in 2Q15, led by our holding in **Travelsky Technology**, which has a near monopoly on coordinating airline ticketing for both domestic and foreign airlines operating in China and local travel agencies. China overall helped the fund return 1.2% in the quarter, which was 2.1% ahead of the MXAPJ index return of -0.9%. Vietnam was also a key positive contributor to performance, with the rebound being driven by the government announcement that foreign ownership limits for listed companies in Vietnam would be raised. In the quarter we trimmed our Indonesia exposure as the government appeared to be taking a worryingly extremist path with the execution of foreigners accused of drug trafficking and valuations were unresponsive.

3Q15 was a rather vicious quarter for markets as the People's Bank of China surprised the markets by instigating a one-off devaluation of the Renminbi. Increased fears over competitive devaluations across Asia, slowing growth in China and a marked increase in investor uncertainty overall contributed to a 16.5% fall in the MXAPJ index in the quarter. While the Prusik Asia Fund outperformed the index by 4.4%, it nevertheless suffered an absolute decline of 12.1%. Unsurprisingly, China and Hong Kong led the way with the sell-off in China and Hong Kong insurers, which sit within our financialisation theme, being particularly sharp. Nike footwear manufacturer, **Feng Tay Enterprise**, and Chinese fabric and garment maker for Nike, Adidas and Uniqlo, **Shenzhou International**, however, generated positive returns in the quarter.

4Q15 saw both the fund and the index regain some of the ground lost in the previous quarter. The Prusik Asia Fund returned 6.0%, 0.7% ahead of the 5.3% index return. In terms of what worked well, the final quarter proved to be a continuation of what we had witnessed through much of the year with our smart textiles theme, Vietnam and China internet theme once again topping the performance tables. Korean duty free shop operator, **Hotel Shilla**, which was sold towards the end of the year, was the main drag on performance as the company's competitor unexpectedly received a duty free shop license.

Overall, 2015 was clearly a year marked by volatility and increased focus on the stresses and imbalances in the Chinese economy, plus what this might mean for China's long term growth prospects. Overcapacity and slowing demand combined with disruptive technological change also saw the clear emergence of deflationary pressures. Navigating such treacherous waters as an investor has only served to underline our belief in investing away from the index and identifying and investing in long term structural themes which have their own growth drivers independent of the cycle. It would be helpful to consider what worked well and what was less helpful within our thematic approach to illustrate this point.

Our best performing theme in 2015 was our smart textiles theme, where we had 13.4% on average invested across the year. Overall, the smart textiles theme generated a 36.5% ROIC in the period. Strong volume growth for Nike, Adidas and Under Armour and other leading sports brands, which form the core customer base for our smart textiles holdings, helped our stocks see high double digit increases in earnings in the year. Moreover, the long awaited agreement of the Trans-Pacific Partnership, which should see the removal of the 11.5% tariff for garment exports from Vietnam to the US, was also a boon. Falling commodity prices and weaker Asia currencies provided an additional tailwind.

INVESTMENT MANAGER'S REPORT (CONTINUED)

Our leisure and tourism theme, where we had 6.5% on average invested in 2015, was our second best performer, generating an ROIC of 25.3%. **Travelskly Technology** and **Beijing Capital International Airport** led the way as we continued to see good growth in air passenger travel in China.

Finally, our Vietnam theme, where we had 13.4% on average invested in 2015, saw another excellent year of performance, generating an ROIC of 17.2%. Leading dairy brand, **Vinamilk**, which was a new addition to the portfolio following our visit to the country in the middle of 2015, saw particularly stellar absolute returns. As mentioned above, Vietnam was buoyed by news that foreign investor limits will be removed, further falls in inflation and the approval of TPP which paves the way for more foreign direct investment.

Themes which were less helpful in the year were telecoms, automation / 'internet of things' and local brands. While the challenges here were largely stock specific, for example, **Hermes Microvision**, the Taiwanese maker of semiconductor inspection equipment, saw a marked deterioration in its competitive position, we feel that the telecoms theme is an area where our analysis proved wanting. While the exponential growth in data for our telecoms holdings materialised as expected, the benefits of this were largely offset by regulatory action, heightened competitive pressures and concerns surrounding management.

Outlook

We start 2016 with some of our key themes still dominant in the fund. Most notably these include Vietnam, smart textiles, financialisation and China internet. We have also recently added some relatively new themes which we hope will build and become major themes over time. These include intelligent / electric vehicles and within our broader local brands theme we have been investing in Chinese sportswear companies in response to the government's stated policy of creating a domestic sports, and in particular football, industry.

Overall valuations in Asia remain supportive. At the time of writing the MXAPJ is trading on 1.3x P/B ratio, which, as we have highlighted on a number of occasions, statistically represents a very attractive point at which to invest in Asia. Indeed, history suggests that buying at these lows has always resulted in a very significant gain on a 2 year view and is very likely to generate good returns on a 1 year view. Whilst we are mindful of the fact that low valuation multiples for the Asia index are largely the result of banks, resource companies and deep cyclicals being de-rated, whilst the multiples for companies seeing good earnings growth are being bid up, we would also note that the Prusik Asia Fund is on a 15.7x P/E or just a c.20% premium to the index. Given that we expect our portfolio to deliver long term earnings growth far in excess of the index, we still believe the portfolio is undervalued.

Prusik Investment Management LLP

25 April 2016

REPORT OF THE CUSTODIAN TO THE SHAREHOLDERS

We have enquired into the conduct of Prusik Asia Fund plc (the “Company”) for the year ended 31 December 2015, in our capacity as Custodian to the Company.

This report including the opinion has been prepared for and solely for the Shareholders in the Company as a body, in accordance with Part 5 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, (“the UCITS Regulations”), and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Custodian

Our duties and responsibilities are outlined in Part 5 of the UCITS Regulations. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company’s Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Custodian Opinion

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Part 5 of the UCITS Regulations and to ensure that, in all material respects, the Company has been managed

- (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of the constitutional documentation and the appropriate regulations and
- (ii) otherwise in accordance with the Company’s constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association, the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (“the Central Bank UCITS Regulations”); and
- (ii) otherwise in accordance with the provisions of the Memorandum & Articles of Association, the UCITS Regulations and the Central Bank UCITS Regulations.

Brian Giblin

Brown Brothers Harriman Trustee Services (Ireland) Limited
30 Herbert Street
Dublin 2
Ireland

25 April 2016

INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of Prusik Asia Fund plc (the "Company") for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Balance Sheet, Statement of Changes in Net Assets Attributable to holders of redeemable participating shares and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations, 2011 (as amended).

This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014 and the Central Bank UCITS Regulations, and for no other purpose. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibility Statement set out on page 4 the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report, Investment Manger's Report and the Report of the Custodian to the Shareholders to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the assets, liabilities and financial position of the company as at 31 December 2015 and of its profit for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended).

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion adequate accounting records have been kept by the Company.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Gareth Harman
Partner

For and on behalf of Ernst & Young
Chartered Accountants and Registered Auditors
Dublin 2

25 April 2016

SCHEDULE OF INVESTMENTS

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock (31 December 2014: 92.40%)					
Australia (31 December 2014: 3.91%)					
	1,700,000	Fairfax Media Ltd.	1,381,607	1,143,988	1.79%
			<u>1,381,607</u>	<u>1,143,988</u>	<u>1.79%</u>
China (31 December 2014: 25.16%)					
	540,000	ANTA Sports Products Ltd.	1,393,382	1,483,957	2.32%
	8,700	Baidu, Inc.	1,451,451	1,671,531	2.61%
	2,770,000	Beijing Capital International Airport Co. Ltd.	1,969,397	2,991,253	4.67%
	4,200,000	China Telecom Corp. Ltd.	2,230,218	1,972,416	3.08%
	40,000	Ctrip.com International Ltd.	1,353,396	1,883,600	2.94%
	93,000	JD.com, Inc.	2,398,315	2,983,440	4.66%
	428,000	Ping An Insurance Group Co. of China Ltd.	1,788,886	2,368,912	3.70%
	713,000	Shenzhou International Group Holdings Ltd.	2,403,302	4,098,124	6.40%
	112,000	Tencent Holdings Ltd.	1,850,435	2,206,505	3.45%
			<u>16,838,782</u>	<u>21,659,738</u>	<u>33.83%</u>
Hong Kong (31 December 2014: 17.76%)					
	525,000	AIA Group Ltd.	2,238,329	3,156,408	4.93%
	780,000	China Taiping Insurance Holdings Co. Ltd.	2,974,853	2,420,235	3.78%
	4,800,000	Hutchison Telecommunications Hong Kong Holdings Ltd.	1,778,361	1,672,064	2.61%
	1,800,000	Pacific Textiles Holdings Ltd.	2,388,089	2,782,129	4.34%
	2,400,000	Texwinca Holdings Ltd.	2,658,872	2,511,192	3.92%
			<u>12,038,504</u>	<u>12,542,028</u>	<u>19.58%</u>
India (31 December 2014: 7.84%)					
	255,000	Bharti Airtel Ltd.	1,436,194	1,302,849	2.03%
	500,000	Oberoi Realty Ltd.	2,266,918	2,027,436	3.17%
			<u>3,703,112</u>	<u>3,330,285</u>	<u>5.20%</u>
Indonesia (31 December 2014: 1.31%)					
	20,200,000	Lippo Karawaci Tbk PT	1,819,987	1,516,373	2.37%
			<u>1,819,987</u>	<u>1,516,373</u>	<u>2.37%</u>
Philippines (31 December 2014: 0.00%)					
	1,085,590	Robinsons Retail Holdings, Inc.	1,889,496	1,459,687	2.28%
			<u>1,889,496</u>	<u>1,459,687</u>	<u>2.28%</u>
South Korea (31 December 2014: 11.81%)					
	8,500	LG Chem Ltd.	2,064,150	2,373,575	3.71%
			<u>2,064,150</u>	<u>2,373,575</u>	<u>3.71%</u>
Taiwan (31 December 2014: 8.18%)					
	154,000	Eclat Textile Co. Ltd.	2,105,606	2,124,348	3.32%
	2,000,000	Formosa Taffeta Co. Ltd.	2,369,501	1,825,067	2.85%
			<u>4,475,107</u>	<u>3,949,415</u>	<u>6.17%</u>

SCHEDULE OF INVESTMENTS (CONTINUED)

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets		
Common Stock (31 December 2014: 92.40%) (continued)							
Thailand (31 December 2014: 5.10%)							
	3,200,000	Sino-Thai Engineering & Construction PCL	2,078,193	2,220,988	3.47%		
			2,078,193	2,220,988	3.47%		
Vietnam (31 December 2014: 8.84%)							
	1,000,000	Bao Viet Holdings	1,808,409	2,357,127	3.68%		
	1,183,793	Phu Nhuan Jewelry JSC	1,451,035	2,258,604	3.53%		
	2,112,000	Saigon Securities, Inc.	1,126,177	2,085,230	3.26%		
	476,482	Vietnam Dairy Products JSC	2,270,371	2,712,461	4.24%		
	1,031,560	Vingroup JSC	1,850,180	2,096,611	3.27%		
	3,410,000	VNDirect Securities Corp.	1,504,239	1,835,046	2.86%		
			10,010,411	13,345,079	20.84%		
		Total Common Stock	56,299,349	63,541,156	99.24%		
		Total Fair Value of Investments	56,299,349	63,541,156	99.24%		
Forward Foreign Currency Contracts (31 December 2014: (0.03%))							
Currency Bought	Amount Bought	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss)	% of Net Assets
USD	21,035	SGD	(29,689)	20/01/2016	Brown Brothers Harriman	34	0.00%
USD	28,208	GBP	(18,605)	20/01/2016	Brown Brothers Harriman	643	0.00%
SGD	822,023	USD	(575,253)	20/01/2016	Brown Brothers Harriman	6,226	0.01%
					Total unrealized gains on Forward Foreign Currency Contracts	6,903	0.01%
					Total Financial Assets at Fair Value through Profit or Loss	63,548,059	99.25%
GBP	562,839	USD	(855,225)	20/01/2016	Brown Brothers Harriman	(21,319)	(0.03%)
					Total unrealized losses on Forward Foreign Currency Contracts	(21,319)	(0.03%)
					Total Financial Liabilities at Fair Value through Profit or Loss	(21,319)	(0.03%)
						Value USD	% of Net Assets
					Cash	548,867	0.86%
					Other Net Liabilities	(51,524)	(0.08%)
					Net Assets Attributable to Holders of Redeemable Participating Shares	64,024,083	100.00%

BALANCE SHEET

	Notes	As at 31 December 2015 USD	As at 31 December 2014* USD
Assets			
Financial assets, at cost		56,299,349	75,424,021
Financial assets at fair value through profit or loss			
- Transferable securities		63,541,156	85,727,256
- Warrants		-	2,930,732
- Financial derivative instruments		6,903	-
Cash	9	548,867	4,320,303
Margin cash due from broker		2,014	2,018
Dividends receivable		205,916	111,891
Subscriptions receivable		54,462	26,091
Other assets		-	692
Total assets		64,359,318	93,118,983
Liabilities			
Financial liabilities at fair value through profit or loss			
- Financial derivative instruments		21,319	28,762
Redemptions payable		9,397	15,603
Investment management fees	3	58,203	93,378
Administration fees	4	27,329	21,689
Custody fees	5	24,146	13,710
Directors' fees	6	16,174	6,595
Audit fees	7	8,035	7,293
Performance fees	3	94,284	4,812
Professional fees		71,108	40,547
Other liabilities		5,240	133,995
Total liabilities		335,235	366,384
Net Assets Attributable to Holders of Redeemable Participating Shares		64,024,083	92,752,599

*Prior year figures have been restated to comply with recent updates to accounting standards. Refer to summary of significant accounting policies and Note 16 for further information.

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

BALANCE SHEET (CONTINUED)

	Notes	As at 31 December 2015	As at 31 December 2014*
Class A Dollar Non-Distributing Class			
Net Assets	2	USD 5,708,314	USD 20,723,100
Outstanding Redeemable Participating Shares	1,2	29,178	103,122
Net Asset Value per Share	2	USD 195.64	USD 200.96
Class B Dollar Distributing Class			
Net Assets	2	USD 1,282,991	USD 2,433,556
Outstanding Redeemable Participating Shares	1,2	6,554	12,103
Net Asset Value per Share	2	USD 195.76	USD 201.07
Class C Sterling Distributing Class			
Net Assets	2	GBP 583,152	GBP 1,193,870
Outstanding Redeemable Participating Shares	1,2	5,409	10,875
Net Asset Value per Share	2	GBP 107.81	GBP 109.79
Class D Singapore Dollar Distributing Class			
Net Assets	2	SGD 847,239	SGD 1,198,388
Outstanding Redeemable Participating Shares	1,2	3,110	4,333
Net Asset Value per Share	2	SGD 272.40	SGD 276.55
Class E Singapore Dollar Distributing Class			
Net Assets	2	SGD 3,816,537	SGD 3,570,452
Outstanding Redeemable Participating Shares	1,2	23,904	23,618
Net Asset Value per Share	2	SGD 159.66	SGD 151.18
Class U Sterling Unhedged Distributing Class			
Net Assets	2	GBP 35,684,220	GBP 40,937,846
Outstanding Redeemable Participating Shares	1,2	310,953	365,489
Net Asset Value per Share	2	GBP 114.76	GBP 112.01

*Prior year figures have been restated to comply with recent updates to accounting standards. Refer to summary of significant accounting policies for further information.

For and on behalf of the Board of Directors of Prusik Asia Fund plc

Richard Hayes
Director
25 April 2016

David Hammond
Director

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

PROFIT AND LOSS ACCOUNT

	Notes	For the year ended 31 December 2015 USD	For the year ended 31 December 2014* USD
Investment income			
Dividend income		1,686,252	2,278,453
Interest income		1,101	1,411
Miscellaneous income		11,610	61,649
Net realised gain/loss on financial assets and liabilities at fair value through profit or loss		4,520,020	(295,688)
Movement in net unrealised gain/loss on financial assets and liabilities at fair value through profit or loss		(5,850,482)	951,035
Total income		368,501	2,996,860
Expenses			
Investment management fees	3	873,471	954,896
Administration fees	4	100,319	120,809
Custody fees	5	82,064	78,876
Directors' fees	6	43,102	44,730
Audit fees	7	20,134	19,927
Professional fees		146,000	124,871
Performance fees	3	343,751	11,399
Transaction costs		458,167	669,768
Other expenses		18,230	13,054
Total expenses		2,085,238	2,038,330
Net (expense)/income before finance costs		(1,716,737)	958,530
Finance costs			
Overdraft interest		(5,733)	(2,420)
Total finance costs		(5,733)	(2,420)
Withholding tax on dividends		(111,799)	(125,652)
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations		(1,834,269)	830,458

*Prior year figures have been restated to comply with recent updates to accounting standards. Refer to summary of significant accounting policies for further information.

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 year ended 31 December 2015	For the year ended 31 December 2014*
		USD	USD
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations		(1,834,269)	830,458
Capital Share Transactions of Redeemable Participating Shares			
Proceeds from issuance of Redeemable Participating Shares	1	15,386,778	39,637,294
Payments on redemption of Redeemable Participating Shares	1	(42,281,241)	(16,785,832)
Issuance of Redeemable Participating Shares in exchange for cancellation of performance fee equalisation credits	3	216	5,710
Net decrease from Capital Share Transactions of Redeemable Participating Shares		(26,894,247)	22,857,172
Change in Net Assets Attributable to Holders of Redeemable Participating Shares		(28,728,516)	23,687,630
Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the year		92,752,599	69,064,969
Net Assets Attributable to Holders of Redeemable Participating Shares at the end of the year		64,024,083	92,752,599

*Prior year figures have been restated to comply with recent updates to accounting standards. Refer to summary of significant accounting policies for further information.

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 Act 2014 and the Central Bank (Supervision and Enforcement) Act 2013 (section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (S.I. No. 420 of 2015) (the “Central Bank 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 they comply with accounting standards issued by the Financial Reporting Council, as promulgated by the Institute of Chartered Accountants in Ireland. Financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The financial reporting standard applicable in the UK and Republic of Ireland (“FRS 102”) is effective for accounting periods beginning on or after 1 January 2015 and replaces the accounting standards under which the financial statements of the Company were previously prepared. The transition to FRS 102 has resulted in a number of changes in accounting policies and certain reclassification have been made to previously reported amounts to conform with current year presentation. The main change was to remove the bid adjustment as it is not required under FRS 102. These reclassifications have had no impact on reported shareholder dealing net assets.

The information required to be included in the Statement of Total Recognised Gains and Losses and a Reconciliation of Movements in Shareholders Funds, is, in the opinion of the Directors contained in the Profit and Loss account and the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares on pages 17 and 18, respectively.

The Company has availed of the exemption available to open-ended investment funds under FRS 102 not to prepare a cash flow statement.

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

(i) Classification

The Company has chosen to apply the recognition and measurement provisions of International Accounting Standard 39: ‘Financial Instruments: Recognition and Measurement’ (“IAS 39”), (as adopted for use in the European Union) and the disclosure and presentation requirement of FRS 102 to account for all the financial instruments. The Company has designated all of its investments into financial assets or financial liabilities at fair value through profit or loss.

Financial assets and financial liabilities held for trading

These include equities, warrants 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 year end.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(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 year 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 has 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
- 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. 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 31 December 2015 and 31 December 2014, the Company did not hold any derivative instruments.

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 31 December 2015, are included in the Schedule of Investments.

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 traded on a Recognised Exchange, in accordance with listed securities above. As at 31 December 2015 the Company did not hold any collective investment schemes units.

Warrants

The Company may invest in warrants. Warrants which are fully paid up and have a zero strike price exhibit the identical risk and return characteristics as in the case where the Company had acquired the underlying equity directly. Such warrants are valued at the last traded price for the underlying equity quoted on the stock exchange or principal market on which it is listed. As at 31 December 2015, the Company did not hold any warrants.

Distributions Payable to Holders of Redeemable Participating Shares

The Company received Reporting Fund Status from HMRC with effect from 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 propose to 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 E Singapore Dollar Distributing Class and the Class U Sterling (Unhedged) 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 two 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 Profit and Loss Account as finance costs when paid. As at 31 December 2015 and 31 December 2014 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 year.

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 year 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 102 “Financial Instruments: Disclosure and Presentation” (“FRS 102”) 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 year ended 31 December 2015 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	103,122	12,103	10,875
Redeemable Participating Shares issued	460	1,200	17
Redeemable Participating Shares redeemed	(74,404)	(6,749)	(5,483)
At the end of the year	29,178	6,554	5,409

	Class D Singapore Dollar Distributing Class Shares	Class E Singapore Dollar Distributing Class Shares	Class U Sterling Unhedged Distributing Class Shares
At the beginning of the year	4,333	23,618	365,489
Redeemable Participating Shares issued	–	286	84,919
Redeemable Participating Shares redeemed	(1,223)	–	(139,455)
At the end of the year	3,110	23,904	310,953

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 2014 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	99,447	15,062	10,665
Redeemable Participating Shares issued	26,473	101	799
Redeemable Participating Shares redeemed	(22,798)	(3,060)	(589)
At the end of the year	103,122	12,103	10,875

	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	4,082	23,436	2,775
Redeemable Participating Shares issued	251	182	–
Redeemable Participating Shares redeemed	–	–	(2,775)
At the end of the year	4,333	23,618	–

	Class O Dollar Distributing Class Shares*	Class P Sterling Distributing Class Shares*	Class U Sterling Unhedged Distributing Class Shares
At the beginning of the year	7,740	3,602	221,261
Redeemable Participating Shares issued	416	19	194,684
Redeemable Participating Shares redeemed	(8,156)	(3,621)	(50,456)
At the end of the year	–	–	365,489

*Share Class closed on 5 June 2014.

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.

Holder 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. Net Asset Value per Redeemable Participating Share Reconciliation

For the audited financial statements for the year ended 31 December 2014, securities which were quoted, listed or traded on a recognised exchange were valued for financial reporting purposes at last bid prices at the Valuation Point. The difference between the two valuation methods resulted in a difference between the NAV per Share shown in the financial statements and the NAV per Share at which Redeemable Participating Shares were issued and redeemed.

For the year ended 31 December 2014, an adjustment to the carrying amount of the Net Assets attributable to holders of Redeemable Participating Shares (for Shareholder dealing purposes) of USD293,545 has been reflected in accordance with FRS 26 to reflect the bid price at the valuation point.

For the year ended 31 December 2015, no adjustment is applicable to the carrying amount of the Net Assets attributable to holders of Redeemable Participating Shares (for Shareholder dealing purposes) as the securities are valued at last traded price at the Valuation Point in accordance with IAS 39.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Net Asset Value per Redeemable Participating Share Reconciliation (continued)

The table below shows the Net Asset Value per Redeemable Participating Share Reconciliation for the year ended 31 December 2014:

	Class A US Dollar Non- Distributing Class USD	Class B US Dollar Distributing Class USD	Class C Sterling Distributing Class USD	Class D Singapore Dollar Distributing Class USD	Class E Singapore Dollar Distributing Class USD
Dealing NAV	20,788,893	2,441,282	1,867,451	909,684	2,710,293
Deduct: FRS 26 valuation adjustment	65,793	7,726	5,910	2,879	8,578
Total NAV (for financial reporting purposes)	20,723,100	2,433,556	1,861,541	906,805	2,701,715
Shares Outstanding	103,122	12,103	10,875	4,333	23,618
For financial reporting purposes:					
NAV per Redeemable Participating Share (USD)	200.96	201.07	171.18	209.26	114.39
NAV per Redeemable Participating Share (local currency of share class)	200.96	201.07	109.79	276.55	151.18
For shareholder dealing purposes:					
NAV per Redeemable Participating Share (USD)	201.60	201.71	171.73	209.93	114.76
NAV per Redeemable Participating Share (local currency of share class)	201.60	201.71	110.13	277.43	151.66
	Class U Sterling (Unhedged) Distributing Class USD	Total USD			
Dealing NAV	64,034,996	92,752,599			
Deduct: FRS 26 valuation adjustment	202,659	293,545			
Total NAV (for financial reporting purposes)	63,832,337	92,459,054			
Shares Outstanding	365,489				
For financial reporting purposes:					
NAV per Redeemable Participating Share (USD)	174.65				
NAV per Redeemable Participating Share (local currency of share class)	112.01				
For shareholder dealing purposes:					
NAV per Redeemable Participating Share (USD)	175.20				
NAV per Redeemable Participating Share (local currency of share class)	112.36				

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. 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 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. Class E Singapore Dollar Distributing Shares shall not be charged an Investment Management Fee. The Investment Management Fee payable in respect of the Class U Sterling (Unhedged) Distributing Class shall be subject to a maximum fee of 1% per annum of the NAV of the Company together with VAT, if any on such fee.

The Investment Manager earned a fee of USD873,471 during the year ended 31 December 2015 (USD954,986: 31 December 2014), of which USD58,203 is outstanding at the year end (USD93,378: 31 December 2014).

Performance fee and equalisation

In relation to Classes A, B, C, D, and U 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 Class U.

For each Calculation Period, the Performance Fee in respect of each Share for Classes A, B, C and D 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 Class U Sterling (Unhedged) Distributing Share (“Class U Share”) will be equal to 10% of the Net Percentage Outperformance (as defined below) by the Class U Sterling (Unhedged) Distributing Shares of the performance of the MSCI AC Asia Pacific excluding Japan Index, free-float weighted equity index (“MXAPJ”) (the “Index Performance”) during that Calculation Period multiplied by the Net Asset Value per Share of the Class U Shares as at the beginning of the Calculation Period. The net percentage outperformance in respect of Calculation Periods where Class U Performance is greater than Index Performance is the arithmetic difference between Index Performance expressed in GBP and Class U Performance, expressed as a percentage (the “Net Percentage Outperformance”).

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 class U, 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.

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 USD343,751 was earned during the year ended 31 December 2015 (USD11,399: 31 December 2014), which includes USD216 due to the issuance of redeemable participating shares in exchange for cancellation of performance fee equalisation credits (USD5,710: 31 December 2014). The performance fee outstanding at the end of the year was USD94,284 (USD4,812: 31 December 2014), which includes USDNil of an additional performance fee (USDNil: 31 December 2014).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Administration Fees

The Company pays Brown Brothers Harriman Fund Administration Services (Ireland) Limited (the “Administrator”) a fee 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 charge of USD4,000. Additional Classes in excess of two Classes shall be charged at \$250 per month. 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 be 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 USD100,319 during the year ended 31 December 2015 (USD120,809: 31 December 2014), of which USD27,329 is outstanding at the year end (USD21,689: 31 December 2014).

5. Custody 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 Company shall also pay the fees and reasonable transaction charges (charged at normal commercial rates) of any sub-custodian appointed by the Custodian. 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 USD82,064 during the year ended 31 December 2015 (USD78,876: 31 December 2014), of which USD24,146 is outstanding at the year end (USD13,710: 31 December 2014).

6. 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. Heather Manners and Anthony Morris have waived their entitlement to Directors fees (as disclosed in Note 8).

Directors’ fees and expenses charged during the year were:

- David Hammond: USD\$21,551 (2014: USD\$22,365)
- Richard Hayes: USD\$21,551 (2014: USD\$22.365)

The Directors earned fees of USD43,102 during the year ended 31 December 2015 (USD44,730: 31 December 2014), of which USD16,174 is outstanding at the year end (USD6,595: 31 December 2014).

7. Auditors Remuneration

Audit fees charged to the Profit and Loss Account for the year ended 31 December 2015 amounted to USD20,134 (USD19,927: 31 December 2014) of which USD8,035 (USD7,923: 31 December 2014) is outstanding at the year end. This represents remuneration for work carried out for the Company for statutory audit of financial statements. There were no other fees paid to statutory auditor other than the audit fee.

Remuneration for work carried out for the Company by its statutory audit firm for the years ended 31 December 2015 and 31 December 2014 was as follows:

	Year ended	Year ended
	31 December 2015	31 December 2014
	USD	USD
Statutory audit fees	20,134	19,927

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Related Parties

Directors

Heather Manners, a Director of the Company, is Chief Investment Officer of the Investment Manager and has not been paid a fee for the year ended 31 December 2015.

Anthony Morris, Alternate Director for Heather Manners, is also a partner and is Chief Operating Officer and Head of Trading of the Investment Manager. As an Alternate Director, he is not entitled to receive a director's fee from the Company.

The following Directors and related parties held Shares in the Company as at 31 December 2015:

Related Party	Shares held	Share Class
David Hammond (Family members)	835	Class A Dollar Non-Distributing Class
Heather Manners	11,966	Class E Singapore Dollar Distributing Class
Thomas Naughton (Partner of the Investment Manager)	7,458	Class E Singapore Dollar Distributing Class
Tony Morris	3,000	Class E Singapore Dollar Distributing Class
Tony Morris (Family member)	98	Class U Sterling Unhedged Distributing Class
Richard Hayes	1,262	Class E Singapore Dollar Distributing Class

The following Directors and related parties held Shares in the Company as at 31 December 2014:

Related Party	Shares held	Share Class
David Hammond (Family members)	835	Class A Dollar Non-Distributing Class
Heather Manners	8,346	Class E Singapore Dollar Distributing Class
Prusik Investment Management LLP	7,029	Class E Singapore Dollar Distributing Class
Prusik Investment Management Singapore Private Ltd.	154	Class E Singapore Dollar Distributing Class
Anthony Morris	1,000	Class E Singapore Dollar Distributing Class
Thomas Naughton (Partner of the Investment Manager)	5,827	Class E Singapore Dollar Distributing Class
Vanessa Hayes	274	Class C Sterling Distributing Class
Richard Hayes	1,262	Class E Singapore Dollar Distributing Class

9. Cash

	31 December 2015	31 December 2014
	USD	USD
Brown Brothers Harriman & Co.	449	674
HSBC Bank Plc	–	53,009
JP Morgan Chase Bank	548,418	–
Standard Chartered Bank	–	4,266,620
	<u>548,867</u>	<u>4,320,303</u>

Cash balances are held with the sub-custodian and other eligible institutions on overnight deposits as part of the Custodian Agreement. The Custodian performs oversight in respect of the sub-custodian's appointment and conducts an annual due diligence review.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. 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 investors who have provided the Company with the necessary signed statutory declarations.

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.

A 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.

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

11. Soft Commission Agreements

During the year ended 31 December 2015, the Investment Manager entered into soft commission arrangements with brokers/dealers in respect of which certain 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 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 the Investment Manager's obligation to obtain best execution on investment transactions undertaken for the Company.

12. Efficient Portfolio Management

During the year ended 31 December 2015, the Company did not hold any instruments for the purposes of efficient portfolio management (31 December 2014: None).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Exchange Rates

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

	31 December 2015	31 December 2014
Australian Dollar	1.3671	1.2197
British Pound Sterling	0.6750	0.6413
Euro	0.9163	0.8227
Hong Kong Dollar	7.7509	7.7546
Indian Rupee	66.1550	63.1225
Indonesian Rupiah	13,787.5000	12,385.0000
Philippine Peso	46.8540	–
Singapore Dollar	1.4129	1.3216
South Korean Won	1,176.3900	1,088.3200
Taiwan Dollar	32.8755	31.6550
Thailand Baht	36.0200	32.8800
Vietnamese Dong	22,485.0000	21,387.5000

14. Financial Risk Management

In pursuing its investment objective, the Company is exposed to a variety of financial risks as defined in FRS 102 including: market risk (including market price risk, currency risk and interest rate risk), credit risk and liquidity risk, that could result in a reduction in the Company's NAV. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Prospectus provides further details on the treatment of risk factors affecting the Fund.

The Company uses the "commitment approach" to calculate the derivatives exposure of the Company, if any, in accordance with the requirements of the Central Bank.

The commitment approach is based on calculating derivatives exposure by adding together the current values of the underlying assets the derivatives are based on (delta-adjusted in the case of options and warrants), the total of which should not exceed 100% of the Company's NAV.

The Directors' approach to the management of the above risks are as follows:

a) Market Risk

This risk comprises of three main types of risk: market price risk, currency risk and interest risk.

(i) Market Price Risk

Market price risk is defined in FRS 102 as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

The following sensitivity analysis assumes a change in the market price of investments while holding all other variables constant. In practice this is unlikely to occur, and changes in some of the variables may be correlated. In addition, as the sensitivity analysis uses historical data as a basis for determining future events, it does not encompass all possible scenarios, particularly those that are of an extreme nature. The Investment Manager deems the percentage used applicable for the Company analysis.

A 5% increase or decrease in the market price of investments at 31 December 2015, with all other variables held constant, would have increased or decreased the Net Assets Attributable to Holders of Redeemable Participating Shares of the Company by approximately 5% or USD3,176,337 (USD4,431,461: 31 December 2014).

The Fund's concentration of equity price risk by geographical distribution can be seen in the Schedule of Investments, on pages 13 to 14.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Financial Risk Management (continued)**a) Market Risk (continued)****(ii) Currency Risk**

Currency risk is defined in FRS 102 as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The net asset values per share of the Company are computed in USD whereas the investments of the Company may be acquired, valued and disposed of in other currencies. The USD value of the investments of the Company designated in another currency may rise and fall due to exchange rate fluctuations in respect of the relevant currency.

In accordance with the Company's policy, the Investment Manager monitors the Company's currency position on a daily basis and the Board of Directors rely upon the Investment Manager to keep it informed of any material event.

The tables overleaf set out the Company's total exposure to foreign currency at the year end, including sensitivity analysis.

As at 31 December 2015

	Cash	Non- Cash	Total USD	Effect on Net Assets of 5% Change in Foreign Exchange Rate (stated in USD)
Australian Dollar	78	1,143,988	1,144,066	57,203
British Pound Sterling	20	851,619	851,639	42,582
Euro	3	–	3	–
Hong Kong Dollar	4	27,842,786	27,842,790	1,392,140
Indian Rupee	–	3,330,285	3,330,285	166,514
Indonesian Rupiah	–	1,516,374	1,516,374	75,819
Philippine Peso	–	1,459,687	1,459,687	72,984
Singapore Dollar	1	560,479	560,480	28,024
South Korean Won	5	2,373,575	2,373,580	118,679
Taiwan Dollar	339	3,949,415	3,949,754	197,488
Thailand Baht	–	2,220,988	2,220,988	111,049
Vietnamese Dong	–	13,371,403	13,371,403	668,570

As at 31 December 2014

	Cash	Non- Cash	Total USD	Effect on Net Assets of 5% Change in Foreign Exchange Rate (stated in USD)
Australian Dollar	85	3,611,413	3,611,498	180,575
British Pound Sterling	1,028,146	1,785,090	2,813,237	140,662
Euro	4	–	4	–
Hong Kong Dollar	3	34,003,545	34,003,548	1,700,177
Indian Rupee	–	7,247,230	7,247,230	362,362
Indonesian Rupiah	–	1,212,354	1,212,354	60,618
Singapore Dollar	53,074	3,170,075	3,223,148	161,157
South Korean Won	5	8,525,843	8,525,848	426,292
Taiwan Dollar	352	7,570,178	7,570,530	378,527
Thailand Baht	–	4,722,810	4,722,810	236,141
Vietnamese Dong	–	8,172,767	8,172,767	408,638

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Financial Risk Management (continued)

a) Market Risk (continued)

(iii) Interest Rate Risk

Interest rate risk is defined in FRS 102 as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in relevant interest rates.

The value of investments in interest rate bearing securities may be subject to price volatility due to changes in interest rates. An increase in interest rates will generally reduce the value of debt securities that are issued and outstanding, while a decline in interest rates will generally increase the value of debt securities that are issued and outstanding.

The majority of the assets and liabilities of the Fund are invested in non-interest bearing securities. As a result, the Fund is not subject to significant amounts of risk due to fluctuation in the prevailing levels of market interest rates.

b) Credit Risk

Credit risk is the risk that a counterparty or an issuer will be unable to pay amounts in full when due. There can be no assurance that the issuers of securities or other instruments in which the Company may invest will not be subject to credit difficulties, leading to either the downgrading of such securities or instruments, or to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or investments. The Company may also be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in financial derivative instruments and may bear the risk of counterparty default

When the Company invests in a security or other instruments which is guaranteed by a bank or another type of financial institution there can be no assurance that such guarantor will not itself be subject to credit difficulties, which may lead to the downgrading of such securities or instruments, or to the loss of some or all of the sums invested in such securities or instruments, or payments due on such securities or instruments.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Company's assets are held on a fiduciary basis by the Custodian. These assets are held in segregated accounts on the books and records of the Custodian. Depending on the requirement of the jurisdictions in which the investments of the Fund are listed, the Custodian may use the service of one or more sub-custodians.

The credit ratings are outlined below for the following institutions:

	Moody's 31 December 2015	Moody's 31 December 2014
Brown Brothers Harriman & Co.	F1*	F1*
HSBC Bank Plc	A1	Aa3
JP Morgan Chase Bank, New York	A3	–
Standard Chartered Bank, London	Aa3	A2

*Fitch rating.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Financial Risk Management (continued)**b) Credit Risk (continued)**

For cash accounts, funds deposited are liabilities of the banks, creating a debtor-creditor relationship between the bank and the Company. Cash accounts opened on the books of Brown Brothers Harriman & Co. are obligations of Brown Brothers Harriman & Co. while cash accounts opened on the books of a sub-custodian (agency accounts) are obligations of the sub-custodian.

Accordingly, while Brown Brothers Harriman & Co. is responsible for exercising reasonable care in the administration of agency cash accounts, it is not liable for their repayment in the event the sub-custodian, by reason of its bankruptcy, insolvency or otherwise, fails to make repayment.

The Company invests in equity securities and has limited or no exposure to credit risk on its investments. However the Company has exposure to credit risk on any cash balances and forward foreign exchange positions held for share class currency hedging purposes. The notional amount as at 31 December 2015 was USD1,479,044 (USD2,640,678: 31 December 2014).

c) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company is exposed to daily cash redemptions of Redeemable Participating Shares. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of. The Company's listed securities are considered readily realisable as they are listed on a stock exchange or dealt in on another regulated market. Some of the Recognised Exchanges in which the Company may invest may be less well regulated than those in developed markets and may prove to be illiquid, insufficiently liquid or highly volatile from time to time. This may affect the price at which the Company may liquidate positions to meet redemption requests or other funding requirements.

In addition, the Company's policy is to maintain sufficient cash to meet normal operating requirements and expected redemption requests. The Company has the ability to borrow in the short term to ensure settlement of potential daily cash redemptions of redeemable participating shares. No such borrowings have arisen during the year ending 31 December 2015 and 31 December 2014.

In accordance with the Company's policy, the Investment Manager monitors the Fund's liquidity position on a daily basis and the Board of Directors reviews it on a quarterly basis.

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the tables below are the contractual undiscounted cash flows.

31 December 2015

	Less than or equal to 1 month USD	More than 1 month USD	Total USD
Redemptions payable	9,397	–	9,397
Other Payables	–	304,519	304,519
Redeemable Participating Shares	64,024,083	–	64,024,083
Total	64,033,480	304,519	64,377,999
<i>Forward foreign currency exchange contracts</i>			
Payables	1,464,628	–	1,464,628
Receivables	(1,479,044)	–	(1,479,044)
Net	(14,416)	–	(14,416)
Total	64,019,064	304,519	64,323,583

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Financial Risk Management (continued)

c) Liquidity Risk (continued)

31 December 2014*

	Less than or equal to 1 month USD	More than 1 month USD	Total USD
Redemptions payable	15,603	–	15,603
Other Payables	–	322,019	322,019
Redeemable Participating Shares	92,752,599	–	92,752,599
Total	92,768,202	322,019	93,090,221
<i>Forward foreign currency exchange contracts</i>			
Payables	–	2,669,440	2,669,440
Receivables	–	(2,640,678)	(2,640,678)
Net	–	28,762	28,762
Total	92,768,202	350,781	93,118,983

*Prior year figures have been restated to comply with recent updates to accounting standards. Refer to summary of significant accounting policies for further information.

d) Fair Value Estimation

FRS 102 Section 11.27 on “Fair Value: Disclosure” requires disclosure relating to the fair value hierarchy in which fair value measurements are categorised for assets and liabilities. The disclosures are based on a three level fair value hierarchy for the inputs used in valuation techniques to measure fair value. In March 2016 amendments were made to paragraphs 34.22 and 34.42 of this FRS, revising the disclosure requirements for financial institutions and retirement benefit plans. An entity shall apply these amendments for accounting periods beginning on or after 1 January 2017. Early application is permitted. This amendment has been early adopted in the preparation of these financial statements.

The fair value hierarchy has the following levels:

- (i) Level 1: Investments, whose values are based on quoted market prices in active markets, and therefore are classified within Level 1, include active listed equities. Quoted prices for these instruments are not adjusted.
- (ii) Level 2: Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.
- (iii) Level 3: Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value requires significant management judgment or estimation. As observable prices are not available for these securities, a Fund would use valuation techniques to derive fair value.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the financial asset or liability.

The determination of what constitutes “observable” requires significant judgement by the Directors in consultation with the Investment Manager. The Directors consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Financial Risk Management (continued)

d) Fair Value Estimation (continued)

When fair values of listed equity as well as publicly traded derivatives at the reporting date are based on quoted market prices or binding dealer price quotations (bid price for long position and ask price of short positions), without any deduction for transaction cost, the instruments are included within level 1 of the hierarchy.

The fair values of forward currency exchange contracts are calculated by reference to the current exchange rates for contract with similar maturity risk profile.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following table provides an analysis within the fair value hierarchy of the Company's financial assets and liabilities measured at fair value at 31 December 2015 and 31 December 2014:

As at 31 December 2015

Financial Assets at Fair Value Through Profit or Loss	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Common Stock	63,541,156	–	–	63,541,156
Forward Foreign Currency Contracts	–	6,903	–	6,903
Total Financial Assets at Fair Value Through Profit or Loss	63,541,156	6,903	–	63,548,059

Financial Liabilities at Fair Value Through Profit or Loss

Forward Foreign Currency Contracts	–	(21,319)	–	(21,319)
Total Financial Liabilities at Fair Value Through Profit or Loss	–	(21,319)	–	(21,319)

As at 31 December 2014*

Financial Assets at Fair Value Through Profit or Loss	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Common Stock	85,727,256	–	–	85,727,256
Warrants	–	2,930,732	–	2,930,732
Total Assets	85,727,256	2,930,732	–	88,657,988

Financial Liabilities at Fair Value Through Profit or Loss

Forward foreign currency contracts	–	(28,762)	–	(28,762)
Total Liabilities	–	(28,762)	–	(28,762)

*Prior year figures have been restated to comply with recent updates to accounting standards. Refer to summary of significant accounting policies for further information.

The were no transfers between levels for the investments held at 31 December 2015 and 31 December 2014.

The Fund held no Level 3 investments as at the year ending 31 December 2015 (Nil: 31 December 2014).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Financial Risk Management (continued)

Capital Management

As a result of the ability to issue, repurchase and resell shares, the capital of the Company can vary depending on the demand for redemptions and subscriptions to the Company. The Company is not subject to externally imposed capital requirements and has no restrictions on the issue, repurchase or resale of redeemable shares.

15. Portfolio Analysis

As at 31 December 2015	Market Value USD	% of Total Assets
Transferable securities admitted to an official exchange listing	63,541,156	98.73
Financial derivative instruments (Forward Foreign Currency Contracts)	(14,416)	(0.02)
Net financial assets at fair value through profit or loss	63,526,740	98.71
As at 31 December 2014*	Market Value USD	% of Total Assets
Transferable securities admitted to an official exchange listing	85,727,256	92.06
Warrants	2,930,732	3.15
Financial derivative instruments (Forward Foreign Currency Contracts)	(28,762)	(0.03)
Net financial assets at fair value through profit or loss	88,629,226	95.18

*Prior year figures have been restated to comply with recent updates to accounting standards. Refer to summary of significant accounting policies for further information.

16. 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. For reporting periods prior to 1 January 2015 (and the introduction of FRS 102) marketable investment securities for financial reporting purposes were required by FRS 26 to be valued based on bid prices at the Valuation Point. The difference between the two valuation methods resulted in a difference between the NAV per Share shown in the financial statements and the NAV per Share at which Redeemable Participating Shares were issued and redeemed.

As at 31 December 2014, the difference between the NAV for financial reporting purposes as required by FRS 26 and the NAV at which Redeemable Participating Shares were issued and redeemed is detailed in the table below.

Net Asset Value reconciliation	31 December 2014 USD
Net Assets attributable to holders of redeemable participating shares (for shareholder dealing purposes)	92,752,599
Adjustment for bid and offer pricing	(293,545)
Net Assets attributable to holders of redeemable participating shares (for financial reporting purposes)	<u>92,459,054</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Net Asset Comparison (continued)

The comparative financial statements have been restated to represent the net assets attributable to holders of redeemable participating shares for shareholder dealing purposes at last traded price in accordance with FRS 102. The following table represents the financial reporting Net Assets and NAV per Share which were presented in the Balance Sheet as at 31 December 2014.

Net Assets and NAV per share for financial reporting purposes		31 December 2014		31 December 2014
		Net Assets		NAV per Share
Class A Dollar Non-Distributing Class	USD	20,723,100	USD	200.96
Class B Dollar Distributing Class	USD	2,433,556	USD	201.07
Class C Sterling Distributing Class	GBP	1,193,870	GBP	109.79
Class D Singapore Dollar Distributing Class	SGD	1,198,388	SGD	276.55
Class E Singapore Dollar Distributing Class	SGD	3,570,452	SGD	151.18
Class U Sterling (Unhedged) Distributing Class	GBP	40,937,847	GBP	112.01

17. Comparatives

The comparative figures are for the year ended 31 December 2014 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 2014 for the Condensed Balance Sheet. Prior year figures have been restated to comply with recent updates to accounting standards.

18. Significant Events during the Year

There are no events during the year ended that had a material effect on the financial statements.

19. Events since the Year End

In order to present performance data of the Relevant Share Class in a more transparent manner, from 31 March 2016, a change has been made in the Performance Index used in the calculation of performance data from MXAPJ to the MSCI Asia Pacific ex-Japan Gross Return USD Index ("M2APJ").

20. Approval of Financial Statements

The report and audited financial statements were approved by the Directors on 25 April 2016.

STATEMENT OF SIGNIFICANT CHANGES IN THE COMPOSITION OF PORTFOLIO

In accordance with the Central Bank (Supervision and Enforcement) Act 2013 (section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (S.I. No. 420 of 2015) (the “Central Bank UCITS Regulations”) 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 year. At a minimum the largest 20 purchases and 20 sales must be given.

Major Purchases for the year ended 31 December 2015

Security Description	Acquisitions Nominal	Cost USD
Eclat Textile Co. Ltd.	299,000	3,958,117
Baidu, Inc.	19,700	3,699,978
China Taiping Insurance Holdings Co. Ltd.	780,000	2,965,728
Bank Rakyat Indonesia Perser Tbk PT	2,800,000	2,694,032
Texwinca Holdings Ltd.	2,400,000	2,650,715
Hyundai Motor Co.	16,500	2,650,187
Samsung Electronics Co. Ltd.	2,100	2,623,229
Hotel Shilla Co. Ltd.	22,000	2,579,936
Formosa Taffeta Co. Ltd.	2,000,000	2,364,771
Vietnam Dairy Products JSC	472,033	2,265,840
Oberoi Realty Ltd.	500,000	2,255,791
LG Chem Ltd.	8,500	2,060,030
Youngone Corp.	38,000	1,914,209
Summarecon Agung Tbk PT	13,200,000	1,889,560
Robinsons Retail Holdings, Inc.	1,085,590	1,884,972
Vingroup JSC	820,000	1,846,487
Tencent Holdings Ltd.	112,000	1,845,679
Feng TAY Enterprise Co. Ltd.	410,000	1,833,649
Pakuwon Jati Tbk PT	46,000,000	1,822,178
Lippo Karawaci Tbk PT	20,200,000	1,811,743
Bao Viet Holdings	1,000,000	1,804,799
United Spirits Ltd.	30,000	1,771,310
Doosan Heavy Industries & Construction Co. Ltd.	65,000	1,765,586
ANTA Sports Products Ltd.	540,000	1,389,108
Ctrip.com International Ltd.	20,000	1,352,396
JD.com, Inc.	30,000	833,289

STATEMENT OF SIGNIFICANT CHANGES IN THE COMPOSITION OF PORTFOLIO (CONTINUED)

Major Sales for the year ended 31 December 2015

Security Description	Disposals Nominal	Proceeds USD
Baidu, Inc.	20,100	3,809,344
Travelsky Technology Ltd.	1,900,000	3,185,356
PCCW Ltd.	5,300,000	3,170,336
Huaneng Power International, Inc.	2,252,000	2,693,674
Hyundai Motor Co.	16,500	2,623,175
LG Uplus Corp.	245,000	2,616,130
CLP Holdings Ltd.	295,000	2,577,192
Bank Rakyat Indonesia Perser Tbk PT	2,800,000	2,479,188
Feng TAY Enterprise Co. Ltd.	422,300	2,420,535
Kinh Do Corp.	1,080,000	2,404,202
Hanjin Transportation Co. Ltd.	50,000	2,364,840
CSL Ltd.	34,000	2,358,551
Advanced Semiconductor Engineering, Inc.	1,980,000	2,298,588
Kerry Logistics Network Ltd.	1,500,000	2,205,652
Tata Motors Ltd.	284,862	2,147,921
Sinopharm Group Co. Ltd.	580,000	2,054,652
Youngone Corp.	38,000	2,052,070
Samsung Electronics Co. Ltd.	2,100	2,044,891
Eclat Textile Co. Ltd.	145,000	2,020,901
SK Telecom Co. Ltd.	90,000	1,995,868
Siam Cement PCL	125,000	1,862,307
KT Corp.	70,000	1,860,806
Singapore Post Ltd.	1,590,000	1,841,407
Summarecon Agung Tbk PT	13,200,000	1,815,354
Hero MotoCorp Ltd.	40,000	1,701,066
Taiwan Semiconductor Manufacturing Co. Ltd.	390,000	1,694,406
Hotel Shilla Co. Ltd.	22,000	1,688,568
Alibaba Group Holding Ltd.	20,000	1,670,672
Pakuwon Jati Tbk PT	46,000,000	1,634,254
Coway Co. Ltd.	18,000	1,579,211
Bajaj Auto Ltd.	45,000	1,538,207
Hermes Microvision, Inc.	41,000	1,531,115
Jiangsu Expressway Co. Ltd.	1,062,000	1,430,333
Doosan Heavy Industries & Construction Co. Ltd.	65,000	1,393,923
United Spirits Ltd.	30,000	1,374,911
Kinsus Interconnect Technology Corp.	420,000	1,361,212
Telekomunikasi Indonesia Persero Tbk PT	5,250,000	1,183,253
Siam Cement PCL	56,000	838,977

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

**INVESTMENT MANAGER
AND DISTRIBUTOR**

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Until 12 April 2015
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Ireland

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