

PRUSIK ASIA FUND PLC

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2010

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Prusik Asia Fund plc

Annual Report and Audited Financial Statements

Background of the Company

Prusik Asia Fund plc (the “Company”) is a public limited liability investment company with variable capital, incorporated on 7 September 2005 in Ireland pursuant to the Companies Acts, 1963 to 2009 and authorised by the Central Bank of Ireland (the “Central Bank”), as an investment company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003, as amended (the “UCITS Regulations”).

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

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

The Company commenced trading on 7 October 2005. Shares are available to investors in the Company as shares in Class A Dollar Non-Distributing Class, Class B Dollar Distributing Class, Class C Sterling Distributing Class and Class D Singapore Dollar Distributing Class, Class N Dollar Non Distributing Class, Class O Dollar Distributing Class, Class P Sterling Distributing Class and Class Q Singapore Dollar Distributing Class.

Class A Dollar Non-Distributing Class and Class B Dollar Distributing Class were issued on 7 October 2005. Class C Sterling Distributing Class was issued on 14 July 2006. Class D Singapore Dollar Distributing Class was issued on 22 December 2009. Class N Dollar Non-Distributing Class, Class O Dollar Distributing Class and Class P Sterling Distributing Class were issued on 20 September 2010. Further classes of shares may be issued on advance notification to the Central Bank.

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

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

Prusik Asia Fund

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

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

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

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

The Company may invest in both short and long term Asian and foreign debt securities (such as fixed and/or floating rate bonds and notes) of corporate issuers and government entities. The debt and other fixed income securities in which the Company may invest will principally be of investment grade. The Company may, however, invest on a very limited basis in debt and fixed income securities which are not required to satisfy any minimum rating standard. Such securities may include instruments that are considered to be of poor standing and which have predominantly speculative characteristics with respect to capacity to pay interest and repay principal.

Background of the Company (continued)

Prusik Asia Fund (continued)

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

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

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

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

Directors' Report

The Directors submit their report together with the audited financial statements for the year ended 31 December 2010.

Statement of Directors' Responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland.

Irish company law requires the Directors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of Prusik Asia Fund plc (the "Company") and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

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

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2009. 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.

In addition to the company law requirements, as an investment company with variable capital, the Company is required to comply with the requirements of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003, as amended and related Central Bank Notices and it is the Directors' responsibility to ensure that these regulations are adhered to by the Company.

Books of Account

The measures taken by the Directors to secure compliance with Company's obligation to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. The books of accounts are kept at Citi Fund Services (Ireland), Limited, 1 North Wall Quay, Dublin 1, Ireland.

Principal Activities

The Company is organised as an investment company with variable capital under the laws of Ireland as a public limited company pursuant to the Companies Acts, 1963 to 2009, and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003, as amended.

Review of the Company's business and future developments

The Company's business and future developments is reviewed in detail in the Investment Manager's report.

Risk management objectives and policies

The investment objective of the Company, as detailed on page 2, is to engineer capital growth primarily by investing in companies operating in the Asian region. Investment in the Company carries with it a degree of risk including, but not limited to, the risks referred to in Note 11 of these financial statements.

Results

The results for the year are stated on page 12 of the financial statements. Particulars relating to distributions and the issue and redemption of shares are set out on page 13 of the financial statements.

Events during the Year

The Class D Singapore Dollar Distributing Class was first issued on 15 January 2010.

A new addendum to the prospectus was filed with the Financial Regulator on 11 February 2010 detailing the following new share classes available for subscription. Class N Dollar Non Distributing Class, Class O Dollar Distributing Class, Class P Sterling Distributing Class and Class Q Singapore Dollar Distributing Class, were issued on the 20 September 2010.

Directors' Report (continued)

Events since Year End

There have been no significant events affecting the Company since the yearend up to the date of approval of these financial statements.

Directors

The names of the persons who were Directors at any time during the year ended 31 December 2010 are set out below.

David Hammond
Richard Hayes
Heather Manners

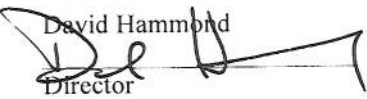
Directors' Interests

Details of the Directors or the Company Secretary holdings in the shares of the Company as at 31 December 2010 are included in Note 4 "Significant Agreements and Related Party Transactions". Heather Manners is Chief Investment Officer of the Investment Manager. David Hammond is a director of Bridge Consulting, which provides corporate governance services to the Company.

Auditors

The Auditors, Ernst & Young, have indicated their willingness to continue in office in accordance with section 160(2) of the Companies Act, 1963.

On behalf of the Board:

David Hammond

Director

Richard Hayes

Director

Date: 21 April 2011

Investment Manager's Report

Over the year ending 31st December 2010, Prusik Asia Fund fell by 2.66%. Given that most Asian markets were up the year, this was a disappointing result. After the convincing recovery in markets in 2009, the start of 2010 left investors uncertain that the pace of the recovery would continue. Headwinds, in the form of a further deterioration in the US housing market, anaemic growth in the US and Europe, and a developing crisis in the EU debt markets created risks which threatened once again to overwhelm markets. Furthermore in Asia, the 2009 financial stimulus by Chinese policymakers was starting to create an unhealthy mix of property speculation, incipient inflation and overheated bank lending which the authorities addressed aggressively, beginning in January.

In view of these concerns the Fund took a defensive position in the early part of the year and held to the view that there was more risk in the markets than the optimists believed. In the light of this, the Fund held a number of defensive holdings in telecoms, infrastructure plays and gold which underperformed the domestic cyclicals, consumer stocks and South East Asia in general, which were the main areas which led the region up over the year. This defensiveness was the single biggest cause of the disappointing annual return on the Fund.

The first half of the year also produced some huge volatility, indeed in five weeks from mid-April the Asian index dropped 24% but then recovered as it became clearer that major developed economies were improving and that the Euro crises in Greece, Ireland were going to be manageable, at least, for the shorter term. With ultra-low interest rates and the subsequent abundant liquidity in major OECD economies liquidity soon cascaded into the growth areas of the global markets, specifically Asia and Latin America, driving valuations in some markets to unreasonable levels.

The top contributors to performance were in **Celltrion** in the biosimilars theme, **Genting Singapore** and **UEM Land**.

We still remain very positive on the Asian Healthcare Industry and one area where we expect to see explosive growth is biosimilars. **Celltrion** is transforming itself from a contract manufacturing company into an expert in this sector. Biosimilars are the generics for the expensive protein-based monoclonal antibody drugs and many of these come off patent in Asia and other developing countries in 2011. Celltrion is developing impressive skill and scale in this difficult area and sales are poised to grow sharply thanks to expansion as well as a shift to the much more profitable new drugs. Their first product which will arrive in 2011 is a breast cancer generic of Herceptin.

Genting Singapore is a developer of integrated resorts and casinos. They are a prime beneficiary of the tourist arrival surge to SE Asia and have one of the two casinos operating in Singapore with over 50% market share. Genting did well over the year, buoyed by a doubling in ROE and an extraordinary debut interest at their casino, reflecting one of the most successful themes of the year: domestic consumption.

Readers of the Prusik Asia Fund monthlies will be familiar with our cross straits theme relating to improved relations between China and Taiwan. We believe another similar theme is brewing between Singapore and Malaysia. In May this year we saw, what we believe to be the most significant event for Malaysia / Singapore relations since 1965. Leaders of both countries have principally agreed to resolve long standing legacy issue between the two countries. As a result, there will be direct investment into Iskandar by Temasek (the investment arm for the Government of Singapore). Iskandar is a designated economic corridor that the Malaysian government created in July 2006. It is located in Southern Johor, just next door to the northern border of Singapore and is an easy 30 - 40 minutes car journey from the Central Business District in downtown Singapore.

The key stumbling block to development of Iskandar has been buy-in from Singapore. With Temasek now investing directly, it provides direction for the private sector to invest. Indeed it can be argued that the Singapore government actively needs Iskandar to remove some of the excess pressure on domestic property prices. The liberalized connectivity between Johor and Singapore should narrow the extraordinary differential in property values between Singapore and Iskandar which currently stands at 16:1! The huge gap in land values will be closed as Iskandar truly becomes linked with Singapore, a process which is only just starting. **UEM Land** owns 8,379 acres of land in Nusajaya, within the Iskandar region. As the largest landowner in Iskandar, UEM Land is the best proxy for the upside in these improved Malaysia / Singapore bilateral relations.

The key detractors to performance in 2010 were in Taiwan, in particular **Taiwan Fertilizer** and **Far East New Century**, the latter of which contributed to very disappointing start to the year thanks to the re-emergence of an eight year old lawsuit against the Far East Group regarding their purchase of Sogo Department Store.

Investment Manager's Report (continued)

Over the year Taiwan, Korea, Hong Kong and China listed shares all did badly relative to the south east of the region due to increasing tensions with China over the US weapons sale to Taiwan, tightening and property bubble fears in China, tension with North Korea and ongoing concern over the cyclical recovery. In the south of the region in countries such as Indonesia, the Philippines and Thailand (despite a very difficult political situation and social unrest) a combination of rapid recovery, falling interest rates and very slim trading volumes saw prices spike impressively, if unsustainably.

Today the portfolio is positioned to take advantage of many interesting themes which we have identified following recent meetings with companies on the ground in Asia. These include factory automation in China, companies benefitting from the boom in technology especially Smartphone's, tablets, LED and OLED lighting companies in the Korea. Other key themes include domestic consumption, China internet, oil services companies, education, healthcare food and fertilizer. We are also watching the development of a high speed railway linking the western border of China with the upcountry parts of Indo China, including Burma, Laos, Cambodia and Vietnam, to Thailand, Malaysia and, finally Singapore. This may see the start of an extraordinary period of growth in that part of the world, not unlike the wealth creation which accompanied the railroad build out in 1860's USA.

There was one important development on the Fund in Q4 2010, namely that we can now use the regions index futures to hedge some or most of our exposure. This will still not preclude us from using cash as we have always done in periods of extreme weakness and high risk. The futures will be used occasionally when we feel that valuations and other headwinds increase the risk of downside of more than a few percent. We do not expect the portfolio to be ever fully hedged as some of the regions markets still do not have liquid futures. However, the use of futures should mean that under normal circumstances the Fund can, when necessary, remain buffered to some degree against some of the volatility without having to sell good underlying holdings.

Many of our investments are trading at valuations which are historically still very attractive. Furthermore, interviews with company management suggest optimism is warranted and often their guidance for 2011 is ahead of market expectations. While the outlook in corporate Asia therefore remains encouraging, inflationary pressures and other external concerns remain. The latter include unrest in the Middle East and the resolution of ongoing crisis in parts of Europe, such as Ireland and Portugal. This tension between growth, inflation, geopolitics and the remains of the global financial crisis will most probably remain a big feature of 2011 and is likely to produce volatility and periods of uncertainty. If these issues can be managed by governments then 2011 should be typical of year three of a normal economic cycle where growth transcends inflation, against a background of perpetual concern. This could translate to another good year in Asia overall. We also note the spring budding of a new technology boom which could be good for equities.

We would like to thank our investors for their support though this challenging year. We have learnt a lot from our mistakes in 2010 and as a result feel on firm footing as 2011 takes hold. We believe that Asia is still a place rife with opportunity with at least two more years to go in this current cycle. The Fund is now very well placed to benefit from the opportunities in the immediate future. This is both because of the great themes and companies we have found and already have in the Fund but also because we have more tools available to us. This should help us to maintain the risk profile of the fund whilst sacrificing less upside.

Prusik Investment Management LLP

10th March 2011

Prusik Asia Fund plc

Annual Report and Audited Financial Statements

Report of the Custodian

To the Shareholders of Prusik Asia Fund plc

We have enquired into the conduct of the Prusik Asia Fund plc ("the Company") for the year ended 31 December 2010, 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 the Central Bank's UCITS Notice 4 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 the Central Bank's UCITS Notice 4. 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 UCITS Notice 4 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 its 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 and the Custodian by the Memorandum & Articles of Association and by the European Communities (Undertakings for Collective Investments in Transferable Securities) Regulations 2003, as amended, ('the Regulations'); and
- (ii) otherwise in accordance with the provisions of the Memorandum & Articles of Association and the Regulations.



For and on Behalf of
Brown Brothers Harriman Trustee Services (Ireland) Limited
Date: 21 April 2011

Report of the Custodian to the Shareholders

We have enquired into the conduct of Prusik Asia Funds plc ('the Company') for the year ended 31st December 2010, 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 the Central Bank's UCITS Notice 4, 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 the Central Bank's UCITS Notice 4. 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 UCITS Notice 4 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 its 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 and by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003, as amended, ('the Regulations'); and

(ii) otherwise in accordance with the provisions of the Memorandum & Articles of Association and the Regulations.


For and on Behalf of
Brown Brothers Harriman Trustee Services (Ireland) Limited
Date: 26th April 2011

BROWN BROTHERS HARRIMAN
TRUSTEE SERVICES (IRELAND) LIMITED
SEYNE HOUSE, UPPER HATCH STREET, DUBLIN 2, IRELAND
www.bbh.com Tel: 353.1.603.6200 Fax 353.1.603.6300

BROWN BROTHERS HARRIMAN TRUSTEE SERVICES (IRELAND) LIMITED IS REGULATED BY THE CENTRAL BANK OF IRELAND
REGISTERED IN IRELAND AT THE ABOVE ADDRESS. REG. NO. 231235

DIRECTORS:
TACARROU
SCLIVINGTON (USA)
MJMCDONALD (USA)
SPARCE
KWSTONE (USA)
WBTREE (USA)
VAT NO: 8234235 M

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRUSIK ASIA FUND PLC

We have audited the company's financial statements of Prusik Asia Fund plc for the year ended 31 December 2010 which comprise Balance Sheet, Income Statement and Statement of Changes in Net Assets Attributable of Holder of Redeemable Participating Shares and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. 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 auditors' 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

The directors are responsible for the preparation of the financial statements in accordance with applicable Irish law and Accounting Standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland ("Generally Accepted Accounting Practice in Ireland") as set out in the Statement of Directors' Responsibilities.

The directors are also responsible for preparing a Schedule of Investments in accordance with the requirements of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) and the UCITS Notices issued by the Central Bank of Ireland (the "Central Bank").

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended). We also report to you our opinion as to: whether proper books of account have been kept by the company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and other transactions is not disclosed and, where practicable, include such information in our report.

We review whether the Schedule of Investments has been prepared in accordance with the requirements of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) and the UCITS Notices issued by the Central Bank and we report if it does not.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report, the Investment Manager's Report and the Report of the Custodian. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

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 affairs of the company as at 31 December 2010 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Acts, 1963 to 2009, and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended).

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

Ernst & Young
Chartered Accountants and Registered Auditors
Dublin
Date: 27 April 2011

Prusik Asia Fund plc

Annual Report and Audited Financial Statements

BALANCE SHEET

	Note	As at 31 December 2010 USD	As at 31 December 2009 USD
Current Assets:			
Financial Assets, at cost		175,606,272	349,746,945
Financial Assets, at fair value through profit or loss		194,339,766	390,203,287
Cash	5	30,609,074	93,536,695
Margin cash		5,724,835	-
Dividends and interest receivable		100,462	98,942
Receivable for investment sold		6,972,416	12,882,505
Receivable for issuance of redeemable participating shares		-	1,255,913
Other Assets		38,484	29,170
Total Assets:		237,785,037	498,006,512
Liabilities (amounts falling due within one year):			
Financial Liabilities, at fair value through profit or loss		832,819	1,488,167
Payable for Investments purchased		11,208,199	74,795,540
Payable for redemption of redeemable participating shares		-	234,968
Accrued Expenses:			
Investment Management Fees	4	320,483	579,533
Performance Fees	4	-	188,041
Administration Fees	4	14,281	17,021
Custody Fees	4	29,631	174,146
Audit Fees		54,085	43,925
Directors' Fees	4	36,121	3,426
Other Fees		57,230	28,076
Liabilities (excluding Net assets attributable to holders of redeemable participating shares)		12,552,849	77,552,843
Net assets attributable to holders of redeemable participating shares		225,232,188	420,453,669

Prusik Asia Fund plc

Annual Report and Audited Financial Statements

	Notes	As at 30 December 2010 USD	As at 31 December 2009 USD
Class A Dollar Non-Distributing Class	3		
Net Assets		USD 144,090,298	USD 235,590,279
Outstanding redeemable participating shares		832,350	1,322,506
Net Asset Value per share		USD 173.11	USD 178.14
Class B Dollar Distributing Class	3		
Net Assets		USD 13,894,475	USD 115,256,121
Outstanding redeemable participating shares		80,230	646,746
Net Asset Value per share		USD 173.18	USD 178.21
Class C Sterling Distributing Class	3		
Net Assets		GBP 4,879,308	GBP 43,090,380
Outstanding redeemable participating shares		51,899	443,995
Net Asset Value per share		GBP 94.02	GBP 97.05
Class D Singapore Dollar Distributing Class	3		
Net Assets		SGD 12,887,106	-
Outstanding redeemable participating shares		88,407	-
Net Asset Value per share		SGD 145.77	-
Class N Dollar Non-Distributing Class	3		
Net Assets		USD 524,531	-
Outstanding redeemable participating shares		3,030	-
Net Asset Value per share		USD 173.11	-
Class O Dollar Distributing Class	3		
Net Assets		USD 39,406,245	-
Outstanding redeemable participating shares		227,529	-
Net Asset Value per share		USD 173.19	-
Class P Sterling Distributing Class	3		
Net Assets		GBP 2,092,641	-
Outstanding redeemable participating shares		22,256	-
Net Asset Value per share		GBP 94.03	-

David Hammond

Director

Date: 21 April 2011

Richard Hayes

Director

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

Prusik Asia Fund plc

Annual Report and Audited Financial Statements

INCOME STATEMENT

For the year ended 31 December 2010

	Note	31 December 2010 USD	31 December 2009 USD
Investment Income:			
Dividend Income	2	5,564,808	3,724,096
Withholding Tax		(495,173)	(402,492)
Interest Income		82,116	129,463
Net realised (loss)/gains on Financial Assets and Liabilities at fair value through profit or loss		(1,989,777)	70,238,284
Movement in net unrealised (loss)/gains on Financial Assets and Liabilities at fair value through profit or loss		(20,305,766)	31,368,070
Total (Loss)/Income:		(17,143,792)	105,057,421
Expenses:			
Investment Management Fees	4	4,207,910	5,297,548
Performance Fees	4	-	1,951,998
Administration Fees	4	159,792	193,930
Custody Fees	4	194,154	266,005
Audit Fees		88,194	41,114
Directors' Fees	4	64,101	64,055
Legal Fees		80,311	47,706
Miscellaneous Fees		100,250	86,475
Transaction Costs	2	2,963,504	5,880,313
Total Expenses		7,858,216	13,829,144
Net (Loss)/Profit before Tax		(25,002,008)	91,228,277
Less: Indian Capital Gain Tax	6	(1,361,422)	-
Net (Loss)/Profit after Tax		(26,363,430)	91,228,277

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

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

David Hammond

Director

Date: 21 April 2011

Richard Hayes

Director

Prusik Asia Fund plc

Annual Report and Audited Financial Statements

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

For the year ended 31 December 2010

	Note	31 December 2010 USD	31 December 2009 USD
Net (Loss)/Profit		(26,363,430)	91,228,277
Capital Share Transactions of redeemable participating shares:			
Proceeds from issuance of redeemable participating shares	3	130,758,917	242,329,858
Redemption of redeemable shares for performance fees	3	(2,370,481)	-
Payments on redemption of redeemable participating shares	3	(297,225,770)	(145,053,462)
Net (decrease)/increase from capital shares transactions of redeemable participating shares		(168,858,051)	97,276,396
Net (decrease)/increase in Net assets attributable to holders of redeemable participating shares		(195,221,481)	188,504,673
Net assets attributable to holders of redeemable participating shares at the beginning of the year		420,453,669	231,948,996
Net assets attributable to holders of redeemable participating shares at the end of the year		225,232,188	420,453,669

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

Prusik Asia Fund plc

Annual Report and Audited Financial Statements

Notes to the Financial Statements

1. THE COMPANY

Prusik Asia Fund plc (the “Company”) is a public limited liability investment company with variable capital, incorporated on 7 September 2005 in Ireland pursuant to the Companies Acts, 1963 to 2009 and authorised by the Central Bank of Ireland (the “Central Bank”), as an investment company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003, as amended (“UCITS Regulations”).

The Company commenced trading on 7 October 2005. Shares are available to investors in the Company as shares in Class A Dollar Non-Distributing Class, Class B Dollar Distributing Class, Class C Sterling Distributing Class, Class D Singapore Dollar Distributing Class, Class N Dollar Non-Distributing Class, Class O Dollar Distributing Class and Class P Sterling Distributing Class. Class A Dollar Non-Distributing Class and Class B Dollar Distributing Class were issued on 7 October 2005. Class C Sterling Distributing Class was issued on 14 July 2006. Class D Singapore Dollar Distributing Class is available for subscription since 22 December 2009. Class N Dollar Non-Distributing Class, O Dollar Distributing Class, Class P Sterling Distributing Class and Q Singapore Dollar Distributing Class were issued on 20 September 2010. Further classes of shares may be issued on advance notification to the Central Bank.

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

2. ACCOUNTING POLICIES

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

BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish Statute comprising the Companies Acts, 1963 to 2009 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003, as amended. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board (“ASB”).

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

FINANCIAL INSTRUMENT MEASUREMENT

(i) *Classification*

In accordance with FRS26 “Financial Instruments: Recognition and Measurement”, the Company designated all its assets and liabilities as Financial Assets and Liabilities at fair value through profit or loss. The category of Financial Assets and Liabilities at fair value through profit or loss is further subdivided into:-

Financial assets and liabilities held for trading

These include equities, forward currency contracts and futures 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 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.

Notes to the Financial Statements (continued)

2. ACCOUNTING POLICIES (continued)

FINANCIAL INSTRUMENT MEASUREMENT (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.

Investment transactions are accounted for as of the date they are purchased or sold. During the year ended 31 December 2010 the accounting policy used to calculate realised gains and losses on the sale of investments changed from the First in, First out ("FIFO") basis to the Weighted Average Cost basis. The change in system took place on 19th February 2010.

The Board decided that it would not be practicable to restate the realised gains and losses on the sale of investments for the prior years. The change in accounting policy does not impact the Statement of Assets and Liabilities or the Net Asset Value of the Funds for the current or prior years. Realised gains and losses on investment transactions are recorded in the Income Statement. Interest income is accrued daily on an effective yield basis.

(iii) *Derecognition*

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

- The rights to receive cash flows from the assets have expired; or
- The Company transferred its rights to receive cash flows from the assets or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass through' arrangements;
- 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 losses are measured initially at fair value, with transaction costs for such instruments being recognised directly in the Income Statement.

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 Company measures financial instruments which are classified as at fair value through profit or loss at their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Securities which are quoted, listed or traded on a recognised exchange will be valued at last bid prices at the valuation point.

Notes to the Financial Statements (continued)

2. ACCOUNTING POLICIES (continued)

FINANCIAL INSTRUMENT MEASUREMENT (continued)

(v) *Subsequent measurement (continued)*

If a quoted market price is not available on a recognised stock exchange or from a broker/counterparty, the fair value of the financial instruments may be estimated by the directors using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Cash and Other Liquid Assets

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

Derivative Instruments

Derivative instruments traded on a regulated market shall be valued at the settlement price as determined by the market. If the settlement price is not available, the value shall be the probable realisation value estimated with care and in good faith by (i) the Directors or the Investment Manager or (ii) a competent person, firm or corporation selected by the Directors and approved for the purpose by the Custodian or (iii) any other means provided that the value is approved by a competent person (such competent person having been approved for the purpose by the Custodian). Derivative contracts which are not traded on a regulated market including without limitation swap contracts will be valued on the basis of a quotation provided daily by the relevant counterparty and verified or approved at least weekly by a party independent of the counterparty, including the Investment Manager, or another independent party which is approved for such purpose by the Custodian. Apart from forward foreign exchange contracts and futures contracts, as at 31 December 2010 and 31 December 2009, the Company did not hold any derivative instruments.

Forward Foreign Exchange Contracts

Forward foreign exchange contracts shall be valued in the same manner as derivatives contracts which are not traded in a regulated market or by reference to the price at the Valuation Point at which a new forward contract of the same size and maturity could be undertaken. The forward foreign exchange contracts held by the Company as at 31 December 2010 are included in the Portfolio of Investments.

Futures Contracts

A futures contract is an agreement between two parties to buy and sell a security, index or currency at a specific price or rate at a future date. Upon entering into a futures contract, the Company is required to deposit with a broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as 'initial cash margin'. Subsequent payments ('variation margin') are made or received by the Company each day, depending upon the daily fluctuation in the value of the contract. The daily changes in contract value are recorded as unrealised gains or losses and the Company recognises a realised gain or loss when the contract is closed. Realised and unrealised gains and losses on futures contracts are recognised in the Income Statement. The futures contracts held by the Company at 31 December 2010 are included in the Portfolio 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 listed or traded on a Recognised Exchange, in accordance with listed securities above. As at 31 December 2010 and 31 December 2009, the Company did not hold any units in collective investment schemes.

Notes to the Financial Statements (continued)

2. 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 Income Statement in the period which they arise. Dividends are credited to the Income Statement on the dates on which the relevant securities are listed as “ex-dividend”. Interest income is accrued on a daily basis. Income is shown gross of non-recoverable withholding tax.

DISTRIBUTIONS PAYABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

The Company received Reporting Fund status from HMRC with effect from the 1st January 2010 (Previously had distributor status year end 31 December 2009). The Directors propose to distribute at least 85 per cent of the net investment income of the Class B Dollar Distributing Class, the Class C Sterling Distributing Class, the Class D Singapore Dollar Distributing Class, the Class O Dollar Distributing Class and the Class P Sterling Distributing Class of the Company. In the event that a dividend is paid it will be paid out of the net investment income and/or net realised and unrealised capital gains (i.e. realised and unrealised gains net of realised and unrealised losses) of the Company. It is currently anticipated that, if there is net income to distribute, a dividend will be declared in April of each year, and will be paid within four months of declaration. However, the Directors may at their discretion determine the frequency at which a dividend is paid. Shareholders will be notified of any change in the frequency of the payment of dividends. Distributions to holders of redeemable participating shares are recorded in the Income Statement as Finance Costs when paid. As at 31 December 2010 and 31 December 2009, 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”). This is U.S. Dollars. The Company’s reporting currency is U.S. Dollars.

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 Income Statement in determining the result for the year.

INTEREST INCOME AND INTEREST EXPENSES

Interest income and interest expense 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, which is disclosed separately in the profit and loss account, and net of any tax credits.

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.

Notes to the Financial Statements (continued)

3. SHARE CAPITAL

AUTHORISED

The authorised capital of the Company is EURO 300,000 divided into 300,000 Non-Participating Shares of EURO 1 each and 500 Billion redeemable participating shares of no par value.

NON-PARTICIPATING SHARES

There are currently 3 non-participating shares in issue. The non-participating shares do not form part of the net asset value 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 net asset value of the Company. Redeemable participating shares ("shares") are redeemable at the shareholder's option and are classified as Financial Liabilities under FRS 25 "Financial Instruments: Disclosure and Presentation" as they can be redeemed at the option of the shareholder.

REDEEMABLE PARTICIPATING SHARE TRANSACTIONS

The movement in the number of redeemable participating shares for the year ended 31 December 2010 is as follows:

	Class A Dollar Non-Distributing Class		Class B Dollar Distributing Class	
	Shares	USD	Shares	USD
At the beginning of the year	1,322,506	188,843,431	646,746	81,413,419
Issued	213,174	36,755,201	79,748	12,906,658
Redeemed	(703,330)	(115,282,511)	(646,264)	(104,130,526)
At the end of the year	<u>832,350</u>	<u>110,316,121</u>	<u>80,230</u>	<u>(9,810,449)</u>

	Class C Sterling Distributing Class		Class D Singapore Dollar Distributing Class	
	Shares	USD	Shares	USD
At the beginning of the year	443,995	59,290,111	-	-
Issued	21,115	2,783,766	143,723	23,863,673
Redeemed	(413,211)	(55,274,360)	(55,316)	(8,926,287)
At the end of the year	<u>51,899</u>	<u>6,799,517</u>	<u>88,407</u>	<u>14,937,386</u>

	Class N Dollar Non-Distributing Class		Class O Dollar Distributing Class	
	Shares	USD	Shares	USD
At the beginning of the year	-	-	-	-
Issued	3,030	501,010	290,533	48,213,354
Redeemed	-	-	(63,004)	(10,869,638)
At the end of the year	<u>3,030</u>	<u>501,010</u>	<u>227,529</u>	<u>37,343,716</u>

Prusik Asia Fund plc

Annual Report and Audited Financial Statements

Notes to the Financial Statements (continued)

3. SHARE CAPITAL (continued)

REDEEMABLE PARTICIPATING SHARE TRANSACTIONS (continued)

	Class P Sterling Distributing Class		Class O Dollar Distributing Class	
	Shares	USD	Shares	USD
At the beginning of the year	-	-	-	-
Issued	38,815	5,456,985	1,615	278,270
Redeemed	(16,559)	(2,444,785)	(1,615)	(297,663)
At the end of the year	<u>22,256</u>	<u>3,012,200</u>	<u>-</u>	<u>(19,393)</u>

The movement in the number of redeemable participating shares for the year ended 31 December 2009 is as follows:

	Class A Dollar Non-Distributing Class		Class B Dollar Distributing Class	
	Shares	USD	Shares	USD
At the beginning of the year	1,068,085	158,238,668	436,080	51,244,113
Issued	942,437	142,761,253	373,532	57,349,414
Redeemed	(688,016)	(112,156,490)	(162,866)	(27,180,108)
At the end of the year	<u>1,322,506</u>	<u>188,843,431</u>	<u>646,746</u>	<u>81,413,419</u>

	Class C Sterling Distributing Class	
	Shares	USD
At the beginning of the year	181,486	22,787,784
Issued	304,298	42,219,191
Redeemed	(41,789)	(5,716,864)
At the end of the year	<u>443,995</u>	<u>59,290,111</u>

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

Holders of Participating Shares of Class B Dollar Distributing Class, Class C Sterling Distributing Class, Class D Singapore Dollar Distributing Class, Class O Dollar Distributing Class and the Class P Sterling Distributing Class are entitled to receive all dividends declared and paid by the Company. Upon winding up, the holders are entitled to a return of capital based on the Net Asset Value per share of the Company.

4. SIGNIFICANT AGREEMENTS AND RELATED PARTY TRANSACTION

INVESTMENT MANAGEMENT FEES

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

Class A Dollar Non-Distributing Class	1.50%
Class B Dollar Distributing Class	1.50%
Class C Sterling Distributing Class	1.50%
Class D Singapore Dollar Distributing Class	1.50%
Class N Dollar Non-Distributing Class	1.50%
Class O Dollar Distributing Class	1.50%
Class P Sterling Distributing Class	1.50%

Notes to the Financial Statements (continued)

4. SIGNIFICANT AGREEMENTS AND RELATED PARTY TRANSACTION (continued)

INVESTMENT MANAGEMENT FEES (continued)

In addition, the Investment Manager shall be entitled to be reimbursed by the Company for its out-of-pocket expenses. Details of the Investment Management fees charged to the Company and payable at the end of the year are included in the Income Statement and Balance Sheet respectively.

PERFORMANCE FEE / EQUALISATION

The Investment Manager also receives a Performance Fee out of the assets of the Company. The Performance Fee is calculated in respect of each twelve month period ending on 31 December respectively in each year (a "Calculation Period"). For each Calculation Period, the Performance Fee in respect of each Share will be equal to 10% of the appreciation in the Net Asset Value per Share during that Calculation Period above the base Net Asset Value per Share. The base Net Asset Value per Share is the greater of the Net Asset Value per Share at the time of issue of that Share and the highest Net Asset Value per Share achieved as at the end of any previous Calculation Period (if any) during which such Share was in issue. The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value before deduction for any accrued Performance Fees.

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

The Investment Manager will not charge the Holders of Participating Shares of the Company a performance fee if the Net Asset Value does not appreciate by more than 6% over a calculation period.

The Investment Manager may, at its sole discretion, agree with any Shareholder, to rebate, return and or remit any part of the Management and Performance Fees which are paid or payable to the Investment Manager.

Performance Fee In Respect of the New Classes

The Investment Manager is also entitled to receive a quarterly performance fee per Share of each New Class equal to 10% of the amount by which the Net Asset Value per Share of the relevant class (before calculation of any performance fee but after calculation of any other fees) exceeds the base value, being the higher of (a) the Initial Offer Price and (b) the Net Asset Value per Share of that New Class (after deduction of any performance fees) on the most recent Payment Date (as described below) in respect of which a performance fee was actually due. The calculation period for the performance fee of the New Class shall be each calendar quarter. The performance fee, if due, is payable within 14 days of the last Dealing Day in each calendar quarter (each a "Payment Date"). The first Payment Date shall be within 14 days of 26 March, 2010.

The total performance fee paid to the Investment Manager in relation to a New Class of Shares will be equal to the performance fee per Share of the relevant New Class multiplied by the weighted average number of Shares of that New Class in issue on Dealing Days in the period since the preceding Payment Date.

Notwithstanding the above, no performance fee will be paid in respect of any quarter or part of a quarter in which the Net Asset Value per Share of the relevant class has not increased by at least 1.5% over the Net Asset Value per Share of that class at the beginning of the quarter (the "Performance Fee Hurdle").

The performance fee will accrue on a daily basis and the Net Asset Value will be adjusted to reflect the accrual. The value of this accrual will be calculated on the assumption that the Performance Fee Hurdle will be achieved in that quarter and if it is not achieved, the value of the accrual will be added back to the Net Asset Value of the relevant class at the end of the quarter.

Conversely, Shareholders whose Shares are redeemed on a day other than a Payment Date will receive redemption proceeds based on a Net Asset Value calculation reflecting the performance fee accrued on the redemption date without reference to the Performance Fee Hurdle.

Notes to the Financial Statements (continued)

4. SIGNIFICANT AGREEMENTS AND RELATED PARTY TRANSACTION (continued)

PERFORMANCE FEE / EQUALISATION (continued)

In the event that any Shares in a New Class are redeemed on a Dealing Day during a quarter, the Investment Manager shall be entitled to receive the Performance Fee per Share of the relevant New Class accrued in respect of the Shares redeemed. Any such entitlement to Performance Fees in respect of redemptions of Shares will not be repayable although such entitlement will be taken into account in calculating the Performance Fee entitlement, if any, in respect of the Performance Period as a whole.

The Custodian shall verify the calculation and payment of the Performance Fee.

Details of the Performance fees and Equalisation fees charged to the Company and payable at the end of the year are included in the Income Statement and Balance Sheet respectively.

ADMINISTRATOR FEES

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

The Administrator's fees will be accrued at each Valuation Point and will be payable monthly in arrears. Details of the Administrator fees charged to the Company and payable at the end of the year are included in the Income Statement and Balance Sheet respectively.

CUSTODIAN FEES

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

RELATED PARTIES

DIRECTORS

Heather Manners is Chief Investment Officer of the Investment Manager. Details of the Investment Management fees and Performance fees charged to the Company and payable at the end of the year are included in the Income Statement and Balance Sheet respectively. David Hammond is a Director of Bridge Consulting, a financial services consultancy and business advisory firm, which earned fees of USD 26,905 for the year end (2009: USD 17,496), for the provision of services relating to the Company's governance requirements under the UCITS Regulations.

The Directors of the Company shall be entitled to a fee in remuneration for their services of Euro 15,000 (plus VAT, if any) for the year. In addition the Directors may be entitled to special remuneration if called upon to perform any special or extra services to the Company. All Directors will be entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties. Details of the Directors fees charged to the Company and payable at the end of the year are included in the Income Statement and Balance Sheet respectively. Heather Manners has waived her fees for the year ended 31 December 2010.

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

Prusik Asia Fund plc

Annual Report and Audited Financial Statements

Notes to the Financial Statements (continued)

4. SIGNIFICANT AGREEMENTS AND RELATED PARTY TRANSACTION (continued)

DIRECTORS & RELATED PARTIES INTERESTS

The following Directors and related parties held shares in the Company as at 31 December 2010:

Prusik Asia Fund	Shares	Class
Prusik Investment Management Singapore PTE Ltd	152	Class D SGD Distributing Class
David Hammond (Family members)	933	Class A Dollar Non-Distributing Class
Richard Hayes (Director)	2,074	Class A Dollar Non-Distributing Class
Thomas Naughton (Partner of the Investment Manager)	3,077	Class B Dollar Distributing Class
Heather Manners (Director)	4,096	Class D SGD Distributing Class
Anthony Morris (Partner of the Investment Manager)	401	Class D SGD Distributing Class
Prusik Investment Management LLP	3,462	Class D SGD Distributing Class

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

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

5. CASH AT BANK

All cash balances were held under the control of the Custodian for the year ended 31 December 2010 and 31 December 2009.

6. TAXATION

The Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997 (as amended). It is not chargeable to Irish tax on its income and gains. Tax may arise on the happening of a chargeable event. A chargeable event includes any distribution payments to shareholders or any encashment, redemption or transfer of Shares.

No tax will arise on the Company in respect of chargeable events in respect of:

- i) 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
- ii) Certain exempted Irish resident investors who have provided the Company with the necessary signed statutory declarations.

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

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

Relevant Period is defined as a period of eight years beginning with the acquisition of a Share by a shareholder and each subsequent period of eight years beginning immediately after the preceding relevant period.

As outlined in the Statement of Operations capital gains tax of USD \$1,361,422 was charged to the Fund. This relates to capital gains tax payable on Indian securities. As per Indian Income Tax laws, capital gains tax is payable on the sale of assets, investments and capital accumulation. This tax is on short term sale of securities.

Notes to the Financial Statements (continued)

7. SOFT COMMISSION ARRANGEMENTS

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

During the year ending 31 December 2010 and 31 December 2009, there were no soft commission transactions.

8. EFFICIENT PORTFOLIO MANAGEMENT

The Company may employ techniques and instruments relating to transferable securities and money market instruments, for the purposes of efficient portfolio management including but not limited to futures, options, swaps, warrants, and forward currency contracts. Such techniques and instruments may include foreign exchange transactions which alter the currency characteristics of transferable securities held by the Company. The Company may also employ techniques and instruments intended to provide protection against exchange risk in the context of the management of its assets and liabilities. As at 31 December 2010 and 31 December 2009 the Company did not hold any such instruments for the purposes of efficient portfolio management, apart from forward currency contracts and futures contracts held with the Custodian.

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

A futures contract is an agreement between two parties to buy or sell a security, index or currency at a specific price or rate at a future date. Upon entering into a futures contract, the Fund was required to deposit with Citigroup Global Markets broker, an amount of cash or cash equivalents equal to a certain percentage of the contract amount. The daily changes in contract value were recorded as unrealised gains or losses and the Fund recognised a realised gain or loss when the contract was closed. Unrealised gains and losses on futures contracts are recognised in the Income Statement.

9. EXCHANGE RATES

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

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

31 December 2010	For USD 1.00	31 December 2009	For USD 1.00
Australian Dollar	1.0174	Australian Dollar	1.1110
Euro	0.7841	Hong Kong Dollar	7.7544
Hong Kong Dollar	7.7724	Indian Rupee	46.53
Indonesian Rupiah	9004.95	Korean Won	1165.05
Korean Won	1134.70	Pound Sterling	0.6191
Pound Sterling	0.6458	Singapore Dollar	1.4018
Singapore Dollar	1.2820	Taiwan Dollar	31.992
Taiwan Dollar	29.111		
Thailand Baht	30.130		

Notes to the Financial Statements (continued)

10. FINANCIAL INSTRUMENTS

In pursuing the investment objectives set out in the Prospectus, the Company may hold a number of financial instruments. These include:

- Equity securities, futures contracts, convertible bonds, depository receipts, warrants plus other securities such as investment grade fixed or floating rate bonds, and preference shares, issued by corporate and governmental issuers. These are held in accordance with the Company's investment objectives and policies;
- Cash, liquid resources and short-term debtors and creditors that arise directly from operations; and
- Derivative transactions, (primarily forward foreign currency contracts and futures contracts), the purpose of which is to manage the currency and market risks arising from the Company's investment activities.

The positions held by the Company at the year end are disclosed in the Portfolio of Investments.

11. RISK MANAGEMENT

In accordance with FRS29 "Financial Instruments: Disclosures", this note details the way in which the Company manages risks associated with the use of financial instruments. Day-to-day risk management of the Company is undertaken by the Investment Manager. Investment in the Company carries with it a degree of risk including, but not limited to, the risks referred to below.

As defined by FRS29, risk can be separated into the following components: market risk, credit risk and liquidity risk. Each type of risk is discussed in turn and qualitative and quantitative analyses are provided where relevant to give the reader an understanding of the risk management methods used by the Investment Manager and Board of Directors.

Market Risk

This risk comprises of three main types of risk, Market Price Risk, Currency Risk and Interest Rate Risk.

Market Price Risk

The investments of the Company are subject to normal market fluctuations and the risks inherent in investment in various securities markets and there can be no assurances that appreciation will occur. Stock markets can be volatile and stock prices can change substantially.

The Company invests in equity securities of companies in emerging markets. Such securities involve a high degree of risk and may be considered speculative. Risks include (i) greater risk of expropriation, confiscatory taxation, nationalisation, and social, political and economic instability; (ii) the small current size of the markets for securities of emerging markets issuers and the currently low or non-existent volume of trading, resulting in lack of liquidity and in price volatility, (iii) certain national policies which may restrict the Company's investment opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; and (iv) the absence of developed legal structures governing private or foreign investment and private property.

Currency Risk

Currency Risk is the risk that the fair value or 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 U.S. Dollars whereas the investments of the Company may be acquired, valued and disposed of in other currencies. The U.S. Dollar 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.

Interest Rate Risk

This risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market 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 Company has no exposure to Interest Rate Risk as at 31 December 2010 (31 December 2009: nil).

Notes to the Financial Statements (continued)

11. RISK MANAGEMENT (continued)

Credit Risk

The Company takes on exposure to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Cash balances bear credit risk.

Liquidity Risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to weekly 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.

Market Price Risk

The Investment Manager adopts a bottom up, stock selection approach when constructing the portfolio. The Investment Manager selects stocks on Asian issuers which they believe have an attractive discount to their intrinsic value.

Sensitivity to Market Price Risk

The following table lists exchange exposure, reasonably possible market movements and their impact to the Company's Profit and Loss and Net Assets.

31 December 2010

Exchange	Exchange Exposure USD	Reasonable % movement in Exchange	Impact to Profit and Loss and Net Assets USD
ASX	11,787,596	16.35	1,927,272
Hong Kong	26,288,569	15.71	4,129,934
Indonesia	2,973,364	23.69	704,390
Korea SE	32,513,344	16.40	5,332,188
Kuala Lumpur	17,794,255	9.21	1,638,851
London	3,484,241	17.55	611,484
NATL India	5,643,346	17.03	961,062
Singapore	24,884,783	14.71	3,660,552
Taiwan	61,133,977	16.99	10,386,663
Thailand	6,830,502	22.26	1,520,470
Total	193,333,977		30,872,866
Net Assets Attributable to Holders of Redeemable Participating Shares			225,232,188 13.71%

Percentage movements are based on reasonably possible market movements. It should be noted that in practice, the actual trading results may differ from the sensitivity analysis above and the differences could be material. Details of the Company's financial assets at fair value through profit or loss concentrated by geographical and industrial distribution are included in the Portfolio of Investments.

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Notes to the Financial Statements (continued)

11. RISK MANAGEMENT (continued)

31 December 2009

Exchange	Exchange Exposure USD	Reasonable % movement in Exchange	Impact to Profit and Loss and Net Assets USD
ASX	32,330,303	29.18	1,107,961
China/Hong Kong	124,272,941	45.09	2,756,109
Korea SE	40,539,848	36.71	1,104,327
NATL India	51,987,726	40.11	1,296,129
Singapore	13,293,865	33.32	398,976
Taiwan	127,778,604	30.43	4,199,100
Total	390,203,287		10,862,602

Net Assets Attributable to Holders of Redeemable Participating Shares **420,453,669**
2.58%

Currency Risk

Assets of the Company may be denominated in a currency other than the base currency of the Company and changes in the exchange rate between the base currency and the currency of the asset may lead to depreciation or appreciation of the value of the Company's assets as expressed in the base currency. The Investment Manager does not hedge the potential foreign currency risk at an investment level as it believes that currency risk is inherent in the market price of the investment and that over time, in the long term perspective, the impact of currency movements on the value of the Company's investments will, even out to a broadly neutral effect.

The following sets out the net exposure of the Company's portfolios to currencies other than the U.S. Dollar as at the year end, which suggests a possible size of currency movement over the course of a year and the projected impact of a movement of the size indicated on the net assets of the Company based on the currency exposure as at 31 December 2010.

31 December 2010

Currency	Amount in USD	Hedging USD	Net Exposure USD	Reasonable % movement in Currency	Impact to Profit and Loss and Net Assets USD
Australian Dollar	11,804,485	-	11,804,485	12.16	1,435,425
Hong Kong Dollar	29,326,394	-	29,866,365	(0.26)	(77,653)
Indian Rupiah	5,631,580	-	5,631,580	3.93	221,321
Indonesian Rupiah	3,020,004	-	3,020,004	4.07	122,914
Malaysian Ringgit	17,123,242	-	17,123,242	10.13	1,734,584
Pound Sterling	3,516,153	10,616,809	14,132,962	(3.43)	(484,761)
Singapore Dollar	26,073,505	15,428,508	41,502,013	8.65	3,589,924
South Korean Won	34,079,190	-	34,079,190	3.54	1,206,403
Taiwan Dollar	63,660,971	-	61,188,251	8.94	5,470,230
Thailand Baht	6,830,502	-	6,830,502	10.00	683,050
Total	201,066,026	26,045,317	225,178,594		13,901,437

Net Assets Attributable to Holders of Redeemable Participating Shares **225,232,188**
6.17%

The following sets out the net exposure of the Company's portfolio to currencies other than the U.S. Dollar as at the year end, which suggests a possible size of currency movements over the course of a year and the projected impact of a movement of the size indicated on the net assets of the Company based on the currency exposure as at 31 December 2009.

Notes to the Financial Statements (continued)

11. RISK MANAGEMENT (continued)

31 December 2009

Currency	Amount in USD	Hedging USD	Net Exposure USD	Reasonable % movement in Currency	Impact to Profit and Loss and Net Assets USD
Australian Dollar	27,012,173	-	27,012,173	21.00	5,672,556
Hong Kong Dollar	83,041,833	-	83,041,833	(0.04)	(33,217)
Indian Rupiah	38,651,032	-	38,651,032	4.42	1,708,376
Korean Won	27,353,261	-	27,353,261	7.54	2,062,436
Pound Sterling	1,224,159	-	1,224,159	9.73	119,111
Singapore Dollar	15,303,790	(10,700,527)	4,603,262	2.12	97,589
Taiwan Dollar	126,608,401	-	126,608,401	2.48	3,139,888
Total	371,036,727	(10,700,527)	308,494,121		12,766,739

Net Assets Attributable to Holders of Redeemable Participating Shares **420,453,669**
3.04%

It should be noted that in practice, the actual trading results may differ from the sensitivity analysis above and the differences are likely to be material.

Interest Rate Risk

The Company invests in equity securities and has limited or no exposure to Interest Rate Risk.

Credit Risk

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 2010 \$37,949,992 (2009: \$65,000,000), and futures contracts as at 31 December 2010 \$2,487,310 (2009:Nil).

Counterparty risk

Custody

All financial assets and financial liabilities at fair value through profit or loss are held with the Custodian. All unsettled trades at year end have subsequently settled with the Custodian, futures contracts held with Citigroup Global Market Broker. Details of the Company's financial assets and financial liabilities are included in the Balance Sheet and listed in the Portfolio of Investments. The Investment Manager undertakes a detailed review of all counterparties before any arrangements are entered into.

Cash Management

The cash balance is managed by the Custodian and swept into either the Custodian itself, or another bank. This policy of diversifying the cash balances with a number of different of sub-custodians is a policy implemented by the Custodian on behalf of the Company. For cash accounts, funds deposited are liabilities of the Custodian, creating a debtor-creditor relationship between the Custodian and the Company. Cash accounts opened on the books of the Custodian are obligations of the Custodian while cash accounts opened on the books of a sub-custodian are obligations of the sub-custodian. Accordingly, while the Custodian 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.

Currency Hedging

The Investment Manager undertakes a detailed review of all currency hedging counterparties before any arrangements are entered into. All currency contracts are held with the Custodian.

Brown Brothers Harriman & Co, as the global sub-custodian to the Custodian, has a credit rating of A+ (source Fitch). Citigroup Global Market Broker has an AA credit rating.

Notes to the Financial Statements (continued)

11. RISK MANAGEMENT (continued)

Liquidity Risk

The Company manages its liquidity risk by investing the majority of its assets in investments that are traded in an active market and can be readily disposed of. 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 weekly cash redemptions of redeemable participating shares. No such borrowings have arisen during the year ending 31 December 2010 and 31 December 2009. The maturity profiles of the Company's financial liabilities as of 31 December 2010 and 31 December 2009 are as follows:

31 December 2010

	Due within 1 month USD	Due within 3 months USD	Total USD
Liabilities			
Financial Liabilities at fair value through profit or loss	832,819	-	832,819
Payable for Investments purchased	11,208,199	-	11,208,199
Other Payables	-	511,831	511,831
Redeemable Shares	225,232,188	-	225,232,188
Total Liabilities	237,273,206	511,831	237,785,037

31 December 2009

	Due within 1 month USD	Due within 3 months USD	Total USD
Liabilities			
Financial Liabilities at fair value through profit or loss	1,488,167	-	1,488,167
Payable for Investments Purchased	74,795,540	-	74,795,540
Payable for redemption of redeemable participating shares	234,968	-	234,968
Other Payables	-	1,034,168	1,034,168
Redeemable Shares	420,453,669	-	420,453,669
Total Liabilities	496,972,344	1,034,168	498,006,512

Fair Value Measurements

The Company adopted an amendment to FRS 29, effective 1 January 2009. This amendment established a three-tier hierarchy to prioritise the assumptions, referred to as inputs, used in valuation techniques to measure fair value. The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

Level 1 – Quoted prices in active markets for identical investments

Level 2 – Prices determined using other significant observable inputs. Observable inputs are inputs that reflect the assumptions market participants would use in pricing a security and are developed based on market data obtained from sources independent of the reporting entity (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 – Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs are inputs that reflect the reporting entity's own assumptions about the factors market participants would use in pricing the security and would be based on the best information available under the circumstances.

Notes to the Financial Statements (continued)

11. RISK MANAGEMENT (continued)

FAIR VALUE MEASUREMENTS (continued)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. At 31 December 2010 the inputs used in valuing the Company's investments, which are carried at value, were as follows:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial Assets at fair value through profit or loss				
Listed equities securities	193,333,977	-	-	193,333,977
Forward Contracts	-	995,317	-	995,317
Futures Contracts	10,472	-	-	10,472
Total	193,344,449	995,317	-	194,339,766
Financial Liabilities at fair value through profit or loss				
Futures Contracts	(832,819)	-	-	(832,819)
Total Investments in Securities	192,511,630	995,317	-	193,506,947

At 31 December 2009 the inputs used in valuing the Company's investments, which are carried at value, were as follows:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial Assets at fair value through profit or loss				
Listed equities securities	377,559,962	-	-	377,559,962
Equity linked securities	12,643,325	-	-	12,643,325
Total	390,203,287	-	-	390,203,287
Financial Liabilities at fair value through profit or loss				
Forward Contracts	-	(1,488,167)	-	(1,488,167)
Total Investments in Securities	390,203,287	(1,488,167)	-	388,715,120

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.

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.

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Notes to the Financial Statements (continued)

12. NET ASSET COMPARISON

In accordance with the provisions of the Company's Prospectus, marketable investment securities are valued at last traded prices at the valuation point. Marketable investment securities for financial statement purposes are required by FRS 26 to be valued based on last bid prices at the valuation point. The difference between the two valuation methods may result in a difference between the NAV per share shown in the financial statements and the NAV per share at which redeemable participating shares are issued and redeemed.

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

Net Asset value reconciliation

	31 December 2010	31 December 2009
	USD	USD
Valuation in accordance with Prospectus	225,554,119	420,361,006
Adjustment for bid and offer pricing	(321,931)	92,663
Valuation in accordance with FRS26	<u>225,232,188</u>	<u>420,453,669</u>

Dealing NAV analysis

		31 December 2010		NAV per Share
		Net Assets		
Class A Dollar Non-Distributing Class	USD	144,296,248	USD	173.36
Class B Dollar Distributing Class	USD	13,914,336	USD	173.43
Class C Sterling Distributing Class	GBP	4,886,282	GBP	94.15
Class D Singapore Dollar Distributing Class	SGD	21,210,552	SGD	239.92
Class N Dollar Non-Distributing Class	USD	525,281	USD	173.36
Class O Dollar Distributing Class	USD	39,462,571	USD	173.44
Class P Sterling Distributing Class	GBP	2,095,632	GBP	94.16

Dealing NAV analysis

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

13. PORTFOLIO ANALYSIS

As at 31 December 2010:

	Market Value	% of Net
	USD	Asset Value
Transferable securities admitted to an official exchange listing	154,106,177	68.42
Transferable securities dealt on another regulated market	39,227,800	17.42
Financial derivative instruments (Forward Contracts)	995,317	0.44
Financial derivative instruments (Futures Contracts)	(822,347)	0.37
Total Financial Assets at fair value through profit or loss	<u>193,506,947</u>	<u>85.91</u>

Notes to the Financial Statements (continued)

13. PORTFOLIO ANALYSIS (continued)

As at 31 December 2009:

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

14. COMPARATIVES

The comparative figures are for the period from 1 January 2009 to 31 December 2009. Certain comparatives have been reclassified to conform to the current year presentation

15. SUBSEQUENT EVENTS

There were no other material post balance sheet events up to 21 April 2011.

16. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Directors on 21 April 2011.

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Portfolio of Investments (unaudited)

As at 31 December 2010

Common Stocks	Shares	Value USD	Percent of Net Assets
Financial Assets at fair value through profit or loss			
Australia			
Basic Materials (2009: USD 19,930,105; 4.74%)			
Newcrest Mining Ltd.	165,000	6,781,988	3.01
Paladin Energy Ltd.	1,000,000	5,005,608	2.22
		<u>11,787,596</u>	<u>5.23</u>
Total Australia (2009: USD 19,930,105; 4.74%)		<u>11,787,596</u>	<u>5.23</u>
Cayman Islands			
Industrial (2009: USD 0; 0%)			
China High Precision Automation Group Ltd.	6,600,000	5,188,343	2.30
Total Cayman Islands (2009: USD 0; 0%)		<u>5,188,343</u>	<u>2.30</u>
China/Hong Kong			
Communication (2009: USD 47,152,860; 11.22%)			
China Mobile Ltd.	470,000	4,659,229	2.07
Television Broadcasts Ltd.	1,250,000	6,738,568	2.99
		<u>11,397,797</u>	<u>5.06</u>
Energy (2009: USD 0; 0%)			
CNOOC Ltd.	3,800,000	8,976,351	3.99
Financial (2009: USD 38,587,834; 9.18%)			
China Construction Bank Corp.	490,000	438,782	0.19
Industrial & Commercial Bank of China	397,000	287,296	0.13
		<u>726,078</u>	<u>0.32</u>
Total China/Hong Kong (2009: USD 124,272,941; 29.56%)		<u>21,100,226</u>	<u>9.37</u>
India			
Consumer, Cyclical (2009: USD 0; 0%)			
Talwalkars Better Value Fitness Ltd.	934,386	5,643,346	2.51
Total India (2009: USD 51,987,762; 12.36%)		<u>5,643,346</u>	<u>2.51</u>
Indonesia			
Industrial (2009: USD 0; 0%)			
Sarana Menara Nusantara PT	2,100,000	2,973,364	1.32
Total Indonesia (2009: USD 0; 0%)		<u>2,973,364</u>	<u>1.32</u>
Malaysia			
Communications (2009: USD 0; 0%)			
Axiata Group Bhd	3,002,300	4,588,205	2.04

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Portfolio of Investments (unaudited) (continued)

As at 31 December 2010

Common Stocks (continued)	Shares	Value USD	Percent of Net Assets
Malaysia (continued)			
Consumer, Non-cyclical (2009: USD 0; 0%)			
Kuala Lumpur Kepong Bhd	1,150,000	8,238,815	3.66
Financial (2009: USD 0; 0%)			
UEM Land Holdings Bhd	6,300,000	4,967,235	2.21
Total Malaysia (2009: USD 0; 0%)		17,794,255	7.91
South Korea			
Communications (2009: USD 15,338,355; 3.65%)			
NCSOFT Corp.	22,000	4,032,783	1.79
Consumer, Non-cyclical (2009: USD 0; 0%)			
Celltrion Inc.	275,000	8,118,884	3.60
MegaStudy Co., Ltd.	42,000	6,521,899	2.90
		14,640,783	6.50
Industrial (2009: USD 12,529,934; 2.98%)			
Seoul Semiconductor Co., Ltd.	200,000	7,156,075	3.18
Technology (2009: USD 12,671,559; 3.01%)			
Samsung Electronics Co., Ltd.	8,000	6,683,703	2.97
Total South Korea (2009: USD 40,539,848; 9.64%)		32,513,344	14.44
Singapore			
Energy (2009: USD 0; 0%)			
Swiber Holdings Ltd.	6,550,000	5,160,295	2.29
Financial (2009: USD 0; 0%)			
CapitaCommercial Trust	6,000,000	7,020,279	3.12
Oversea-Chinese Banking Co., Ltd.	960,000	7,398,438	3.28
		14,418,717	6.40
Industrial (2009: USD 0; 0%)			
Ezra Holdings Ltd.	3,800,000	5,305,771	2.36
Total Singapore (2009: USD 13,293,865; 3.16%)		24,884,783	11.05
Taiwan			
Basic Materials (2009: USD 9,224,181; 2.19%)			
Taiwan Fertilizer Co., Ltd.	2,000,000	7,488,518	3.32
Communications (2009: USD 0; 0%)			
Chunghwa Telecom Co., Ltd.	1,970,000	5,014,456	2.23

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Common Stocks (continued)	Shares	Value USD	Percent of Net Assets
Taiwan (continued)			
Communications (2009: USD 0; 0%) (continued)			
Taiwan Mobile Co., Ltd.	1,555,000	3,723,082	1.65
		8,737,538	3.88
Consumer, Cyclical (2009: USD 27,531,751; 6.55%)			
Eva Airways Corp.	5,100,000	6,446,996	2.86
Financial (2009: USD 11,569,768; 2.75%)			
Prince Housing & Development Corp.	6,500,000	5,470,397	2.43
Yuanta Financial Holding Co., Ltd.	9,600,000	7,172,489	3.18
		12,642,886	5.61
Industrial (2009: USD 44,862,381; 10.67%)			
E Ink Holdings Inc.	4,700,000	9,541,677	4.24
Edison Opto Corp.	1,375,000	8,265,709	3.66
		17,807,386	7.90
Technology (2009: USD 34,590,523; 8.23%)			
Epistar Corp.	2,200,000	8,010,653	3.56
		61,133,977	27.13
Total Taiwan (2009: USD 127,778,604; 30.39%)			
Thailand			
Financial (2009: USD 0; 0%)			
Bangkok Bank PCL	1,400,000	6,830,502	3.03
		6,830,502	3.03
Total Thailand (2009: USD 0; 0%)			
United Kingdom			
Financial (2009: USD 0; 0%)			
HSBC Holdings PLC	340,000	3,484,241	1.55
		3,484,241	1.55
Total United Kingdom (2009: USD 0; 0%)			
Total Commons Stock & Equity Linked Notes (Cost USD 175,606,272)			
		193,333,977	85.84

Forward Currency Contracts Open as of 31 December 2010

Currency Purchased	Principal Amount	Currency Sold	Currency Market Value	Aggregate Face Value	Settle Date	Unrealized Gain USD	Percent of Net Assets
GBP	10,905,303	USD	16,750,000	16,882,249	25-Jan-11	132,248	0.06
SGD	18,493,750	USD	13,750,000	14,426,087	25-Jan-11	676,087	0.30
USD	1,000,000	GBP	639,980	645,963	25-Jan-11	9,264	0.00
USD	2,000,000	GBP	1,250,977	1,291,925	25-Jan-11	63,404	0.03
USD	2,600,000	GBP	1,614,907	1,679,503	25-Jan-11	100,021	0.04
SGD	1,285,070	USD	1,000,000	1,002,421	25-Jan-11	2,421	0.00
USD	850,000	GBP	541,401	549,068	25-Jan-11	11,872	0.01
Total	37,134,123		35,547,265	36,477,216		995,317	0.44

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Portfolio of Investments (unaudited) (continued)

As at 31 December 2010

Futures Open as of 31 December 2010

Contract Size	Security Description	Expiry Date	Unrealized Gain USD	Percent of Net Assets
(400)	SGX CNX NIFTY ETS	27-Jan-11	10,472	0.00
Unrealised Gain on Futures Contracts as at 31 December 2010			10,472	0.00
Total Financial Assets at fair value through profit or loss			194,339,766	86.28

Financial Liabilities at fair value through profit or loss

Futures Open as of 31 December 2010

Contract Size	Security Description	Expiry Date	Unrealized Gain USD	Percent of Net Assets
(140)	KOS PI2 INDEX	10-Mar-11	(832,819)	(0.37)
Unrealised Loss on Futures Contracts as at 31 December 2010			(832,819)	(0.37)
Other assets in excess of liabilities			31,725,241	14.09
Net assets attributable to holders of redeemable participating shares			225,232,188	100.00

Foreign currency contracts are held with the Custodian.

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Statements of Changes in Composition of Portfolio (unaudited)

Major Purchases for the year ended 31 December 2010	Shares or Principal Amount or Par	Cost USD
Wasion Group Holding Ltd.	828,000	4,099,588
VTech Holdings Ltd.	60,000	3,477,693
REXLot Holdings Ltd.	6,000,000	3,166,651
AGTech Holdings Ltd.	4,196,000	2,240,658
LPN Development	3,200,000	2,153,189
First Pacific Co., Ltd.	1,000,000	2,120,317
K-REIT Asia	137,000	2,101,675
KGI Securities Co., Ltd.	3,700,000	2,088,416
China LotSynergy Holdings Ltd.	13,000,000	2,082,463
CSE Global Ltd.	200,000	2,050,285
Andean Resources NPV	259,755	2,032,433
Ezion Holdings Ltd.	3,900,000	2,030,134
Gallant Venture Ltd.	5,400,000	1,992,103
Mapletree Logistics Trust	225,000	1,978,485
Asiatic Development	71,800	1,935,261
TPK Holding Co., Ltd.	90,000	1,882,829
Mecox Lane Ltd.	105,000	1,845,186
Manila Water Co., Inc.	400,600	1,805,198
Midland Holdings	818,000	1,801,490
Amata Corp.	3,500,000	1,764,700
AMVIG Holdings Ltd.	430,000	1,702,449
Medusa Mining Ltd.	375,000	1,691,085
ARA Asset Management Ltd.	497,000	1,684,939
Plus Expressways	500,000	1,640,983
United Laboratories International Holdings Ltd.	280,000	1,612,637
Proton Holdings Bhd	152,800	1,584,413
Uni-President China Holdings	2,325,000	1,553,432
Bangkok Dusit Medical Services PCL	1,200,000	1,488,445
Tong Hsing Electronic Industries Ltd.	176,000	1,453,227
Huaku Development Co., Ltd.	538,000	1,445,179
Ruinian International Ltd.	1,900,000	1,406,061
Parkway Life Real Estate Investment Trust	48,000	1,388,167
Jardine C&C	17,000	1,370,919
Avoca Resources Ltd.	360,000	1,368,578
KPJ Healthcare Bhd	400,000	1,363,616
TTK Prestige Ltd.	44,805	1,361,441
Xinyu Hengdeli Holdings	3,500,000	1,318,577
Daphne International Holdings	660,000	1,317,475
Vinda International	1,143,000	1,309,855
Grand Korea Leisure Co., Ltd.	62,500	1,308,928
Sintek Photronic	1,750,000	1,297,002

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

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Annual Report and Audited Financial Statements

Statements of Changes in Composition of Portfolio (unaudited) (continued)

Major Sales for the year ended 31 December 2010	Shares or Principal Amount or Par	Proceeds USD
Wasion Group Holdings Ltd.	572,000	3,750,686
Andean Resources NPV	200,000	2,794,039
LPN Development	3,200,000	1,887,242
Plus Expressways	1,300,000	1,847,324
Amata Corp.	3,500,000	1,793,149
Jardine C&C	62,000	1,745,494
Zhaojin Mining Group Ltd.	520,000	1,717,593
Nestle India Ltd.	15,635	1,706,277
Midland Holdings	818,000	1,701,262
Ruinian International Ltd.	1,900,000	1,624,342
Tianneng Power International	800,000	1,624,148
Titagarh Wagons Ltd.	27,038	1,620,727
Parkway Life Real Estate Investment Trust	200,000	1,573,402
Xinyu Hengdeli Holdings	1,860,000	1,504,950
Uni-President China Holdings	828,000	1,456,021
Ayala Land Inc.	2,050,000	1,447,650
Home Product Center Ltd.	2,366,666	1,385,349
Alliance Global Ltd.	6,765,000	1,376,899
TPK Holding Co., Ltd.	60,000	1,361,193
SM Invest Corp.	32,470	1,350,662
Singapore Tech	270,000	2,711,855
Midas Holdings	1,705,000	1,281,957
Glow Energy Ltd.	400,000	1,261,048
The Basic House	20,000	1,248,674
Daphne International Holdings	1,260,000	1,233,699
Ju Teng International	690,000	1,230,092
Duksan Hi-Metal Co., Ltd.	57,000	1,228,826
Vinda International	1,143,000	1,218,146
REXLot Holdings Ltd.	1,500,000	1,198,158
United Laboratories International Holdings Ltd.	300,000	1,197,277
Venture Co., Ltd.	89,000	1,195,587
Huaku Development Co., Ltd.	480,000	1,192,064
BGR Energy Systems Ltd.	31,000	1,190,400
VTech Holdings Ltd.	115,000	1,185,155
VST Holdings Ltd.	2,044,000	1,130,136
Otto Marine Ltd.	3,450,000	1,120,300
China Green Holdings Ltd.	300,000	1,120,000
Grand Korea Leisure Co., Ltd.	62,500	1,104,690
Sintek Photronic	1,750,000	1,098,332
Mapletree Logistics Trust	1,200,000	1,060,747
TTK Prestige Ltd.	35,000	1,042,639
Lynas Corp.	750,000	1,008,143
Hollysis Automation Tech	29,000	994,060
Korea Plant Service Engineering Ltd.	11,000	979,745

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

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Statements of Changes in Composition of Portfolio (unaudited) (continued)

Major Sales for the year ended 31 December 2010 (continued)	Shares or Principal Amount or Par	Proceeds USD
Healthway Medical Holdings	7,800,000	978,600
Bosideng International Holdings Ltd.	1,200,000	936,359
Tiger Airways Holdings Ltd.	650,000	914,586
Hi Sun Technology	300,000	882,240
Faber Group Ltd.	182,900	881,042
Mecox Lane Ltd.	115,000	861,483
Singamas Container Ltd.	1,000,000	860,237
BGR Energy Systems Ltd.	42,000	808,890

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

Prusik Asia Fund plc

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Directors and Other Information

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David Hammond
Heather Manners
Richard Hayes

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