PRUSIK ASIAN SMALLER COMPANIES FUND PLC

SEMI-ANNUAL REPORT AND FINANCIAL STATEMENTS

(Unaudited)

30 June 2009

(Prusik Asian Smaller Companies Fund Plc is an open-ended investment company with variable capital incorporated in Ireland with registration number 9677789)

Prusik Asian Smaller Companies Fund Plc

Semi-Annual Report and Audited Financial Statements
(Unaudited)

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Background of the Company

Prusik Asian Smaller Companies Fund Plc (the "Company") is a public limited liability investment company with variable capital, incorporated on 11 January 2008 in Ireland pursuant to the Companies Acts, 1963 to 2006 and authorised by the Financial Regulator (the "Financial Regulator"), as an investment company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003, as amended (the "UCITS Regulations").

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

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

The Company commenced trading on 8 February 2008. Shares are available to investors in the Company as shares in Class A Dollar Non-Distributing Class, Class B Dollar Distributing Class and Class C Sterling Distributing Class. Class A Dollar Non-Distributing Class and Class B Dollar Distributing Class commenced trading on 8 February 2008. Class C Sterling Distributing Class commenced trading on 25 April 2008. Further classes of shares may be issued on advance notification to the Financial Regulator.

Citi Fund Services (Ireland), Limited (the "Administrator") determines the net asset value per share of each Class of the Company on the first and third Friday of each calendar month ("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 04 February 2008. There is one addendum to the Prospectus, dated 23 April 2008.

Prusik Asian Smaller Companies Fund

The Company's investment objective is to engineer capital growth primarily by investing in companies operating in the Asian and Australasian region.

In pursuit of its investment objective the Company invests in emerging 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 short and long positions in publicly traded common stocks and other equity securities of Asian issuers and Australasian issuers. In addition, the Company's investments are likely to include situations where an event has triggered a change in the market's perception of the future outlook for a specific company or industry. The Policy will also enable the Company to invest in equity securities of issuers in Recognised Markets outside of Asia and Australasia and in debt and other fixed-income securities of Asian and Australasian and other issuers in Recognised Markets.

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 Australasian 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 Asian Smaller Companies 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 Financial Regulator. These techniques and instruments include but are not limited to futures, options, forward foreign exchange contracts, interest and exchange rate swap contracts, stock lending and repurchase and reverse repurchase agreements.

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.

Audited annual reports and unaudited semi-annual reports are available to the public at the registered office of the Company and are sent to shareholders at their registered addresses by post.

The complete statement of changes in the composition of the portfolio will be made available to shareholders on request free of charge.

Investment Manager's Report

The fund rose 32% over the half. The significant pick up of inflows into the region which started in March across the larger capitalised Asian stocks started to percolate down into the smaller companies from April. Given the extraordinarily depressed levels these companies were trading at after the desperate deleveraging in 2008, this led to some dramatic stock price performance over the period. For example, Rexlot doubled, Wasion Meters more than doubled, China Auto doubled, to name a few of our favourite investments.

We wrote to you in early April to point out how much further upside we thought the fund had, on our internal forecasts, just to meet our own targets. Even after over a 30% gain since then we still think there is plenty more to go. We have adjusted our forecasts a little since April but the bulk of the upside is still mostly a factor of how depressed valuations and earnings expectations had become. We write below on our top 5 holdings and the outlook and upside for them – we also write on some of the newer purchases we have made and why.

Overall, therefore, we still think that there is further upside of 30-40% which would bring the portfolios holdings, on average, to our current valuation targets which remain doggedly conservative. If we were to use normal cycle multiples as our target then the upside extends significantly beyond 40%, but we feel this is not prudent at this time.

Thematically we continue to pursue internet gaming & gaming in China, power transmission & distribution, food, railroad infrastructure investment in China, regional reflation, nuclear investment, Taiwan domestic and healthcare.

China Update

In July this year the Chinese stock market daily turnover reached a 2 year high of US$48.6 billion. This is bigger than the rest of Asia and Japan combined and also bigger than the combined volume of the US markets at $30 billion. Beijing continues to flood the economy with ample liquidity. In June bank loans continued to grow at a stunning rate, indeed they achieved the third highest growth rate in history following the January and March expansions, reaching $220 billion. Total loans issued in the first half, therefore, reached $1.08 trillion – equivalent to nearly 25% of last year's total GDP and representing an annual growth rate of 32% YoY! The monthly loan rate is currently nearly triple last year's rate and now exceeds the full year's monthly target of $176 billion by over 45%.

Hardly surprisingly, the economy has been showing us signs of life. China's PMI indicated its fourth consecutive rise in June, whilst asset prices seem to be gaining momentum. Urban property prices in 70 of China's large and medium sized cities rose 0.2% YoY in June, the first increase for six months, whilst in bigger cities like Shanghai and Beijing, property prices are now effectively at record highs. Likewise both stock markets are at 13 week highs with valuations beginning to look 'normal' whilst car sales indicate the strength of recovery at consumer level. June car sales rose 36% YoY prompting suggestions that we are seeing the beginning of a new car boom in China. In the corporate world we are hearing anecdotal evidence of a pick up in capital expenditure, especially amongst domestic oriented businesses. As a result of this renewed activity commentators have raised their growth expectations once more with upgraded estimates of 2Q GDP growth of 7-7.5% rising to 8% and 9% in the final two quarters.

We note that Beijing policy makers seem intent on remaining supportive of consumption and employment. Indeed eight of the nine Politburo members due to meet imminently have, in recent weeks, visited coastal and inland provinces raising anticipation of such policies. Data on employment suggests new graduates have only a 68% chance of finding a job vs. 73% a year ago whilst government revenues are still rising healthily pointing to possible tax cuts as an additional way to increase consumer demand.
Our short term conclusion on China is thus reasonably optimistic, but we would like to temper this view with come caution medium term.

Firstly, reports circulated last week that two government bond auctions had failed to attract enough interest for all the paper being sold. Whilst the shortfall was not huge, it is an early signal that given all the money sloshing about in the system at present a 1% interest rate on the investment is not enough. Secondly, there is a growing split between the PBOC who are responsible for monetary policy and the CBRC who are responsible for patrolling the banking system. While there are no visible inflation pressures the risk is that the PBOC will continue to lend aggressively, setting up a large Non Performing Loan problem later on. Recently the CBRC has imposed curbs on 'wealth management products', many of which are a back door route for provincial governments to raise leverage for infrastructure products. This suggests that the tension between the two bodies is starting to rise and the CBRC are, possibly rightly, already trying to head off the chances of their patch becoming littered with bad debts in the future. Additionally, but crucially, these products also raise the spectre of future problems as most of these long term projects are thus being funded by short term debt.

Investment Manager's Report (continued)

Finally, Yu Yongding, a former advisor to the Chinese central bank has warned that China has the highest M2-to-GDP ratio in the world at present at 180% GDP. This he described as a 'very scary' prospect in terms of future inflation risk. Certainly, the runes suggest that if today's levels of debt expansion remain, China could face much higher inflation in a year's time. History suggests that as we approach an inflation level of about 5% the tightening starts in earnest with all the attendant negatives for the stock market. History also suggests that inflation can erupt very suddenly in certain circumstances. We certainly feel the world has become very relaxed about inflation risk with China no exception and therefore remain very alert to this particular risk.

PORTFOLIO UPDATE

Top 5 review

Rexlot – *equipment & service provider to China's nascent lottery industry.*

The biggest risk to lottery suppliers in such a huge market as China would be a change in regulatory stance. Given the nascent state of the industry we still think that rather than changing regulations to tilt profits more towards the State (the perennial bugbear of Malaysian lottery operators) what China will do is just introduce "some" regulation. For example, if there were no official provider of fixed odds betting for next years World Cup football the illegal fraternity would monopolise a billion dollar + industry. Thus the introduction of an officially sanctioned fixed odds betting network announced last month, governed by the Ministry of Sport now enables Rexlot, who supply the Sports lottery with the road map to roll out a "point of sales" network to service fixed odds betting as well. This is the second string to Rex's bow, the first being its service provider status to the Welfare lottery. Earnings expectations are at 14c for 2010. We think that with the contribution from the sports lottery becoming more visible this earnings number is understated and forecast at least 16c. Secondly, interim results due Sept will be the first indication to the street that the concept of Rex is becoming reality, another positive. 10 times an earnings per share ("EPS") of 16c would give a target of 1.60 which would be six times our initial investment price and 150% upside from the current price - we hope even 1.60 is only half way. Amit met with the management in May this year and we are to meet them again in London in July.

Wasion Meters – *Prusik's favourite "smart" electricity meter supplier in China.*

Two significant developments occurred in the period for Wasion. The first was that the State Grid, frustrated by regional grids purchases of somewhat dated equipment, centralised all purchases of equipment through a subsidiary. Given Wasion's smart meters are one of the preferred options already in the State Grid's Power Consumption Data Collection System Project, Wasion's market share is likely to rise from 15% to over 20% and the overall potential market will grow as second rate systems are ruled out.

Secondly, Russia has agreed to open its electrical transmission and distribution networks to Chinese suppliers, potentially increasing demand by equivalent to 20% of Chinas existing domestic market. China is already constructing and supplying grids in Central Asia so additional demand from Russia augers well for China's small but growing export market in this field. We have raised our expectations for Wasion's 2010 profits after speaking to them about State Grid centralised procurement but deem it too early to factor anything in for Russia. Wasion is growing at 30% per annum and is on a price earnings ("PE") of 11x 2010. Its peer group are mostly listed on the China A share market and trade over 30x prospective earnings. For now, however, we expect another 40% upside. We saw management in Hong Kong in March and again spoke to them in April and July.

China Automation - *China's dominant railroad network engineer*

China Automations is one of the most profitable business models in the portfolio, but is still one of the most undervalued. Software implementation margins for railroad management networks and for engineering efficient petrochemical plant are still over 50%. The company has a cash pile which they may use to acquire more intellectual property in pipeline engineering. This is a business model that seems to be heading towards that of Worley Parsons in Australia as the company increases and broadens its ability to perform increasingly complex engineering and software implementation tasks in China. Worley trades 15 times forward earnings with substantially lower profitability. China Automation is on half that multiple and is one of the few preferred suppliers to the Chinese railroad and petrochemical industries which are both areas that appear increasingly difficult for foreign companies to get a foothold in. Management are frustrated by the low multiple the market ascribes their business and after several meetings with them recently we are confident that they will be successful in improving this rating.

Investment Manager's Report (continued)

Zhaojin Mining – *one of China's largest gold miners*

If management achieve their goal of decreasing extraction costs then the future looks reasonably promising for Zhaojin. They continued to increase gold reserves over the quarter and have stopped trying to tweak selling volumes to gold price fluctuations which is all good news. Valuing gold stocks has always been an imprecise, science but we believe Zhaojin's share price reflects gold at $780. This leaves some room for disappointment but plenty of room for valuation upgrades if we see further increases in bullion prices.

BGR Energy – *an emerging player in Indian power plant construction.*

The Government of India is giving due thrust to augment capacities for power generation, transmission and distribution. It has targeted to add 78,700 MW in the 11th year plan period with an investment of Rs 4000 billion. There are very limited players in Balance of Plants (BOP) and EPC space and BGR Energy is well positioned to capture the benefits. Balance of plant consists of the remaining systems, components, and structures that comprise a complete power plant or energy system that are not included in the prime mover and waste heat recovery (ex. gas turbine, steam turbine, HRSG, waste heat boiler, etc.) systems. This is a new core position for the portfolio, in an area where we see strong long term growth prospects. BGR was one of the first companies to adopt BOP concept in India. The company has completed projects ranging from 25MW to 330MW using different types of fuel. Approximately 40-50% of the BOP systems are manufactured in-house and this in-house design and engineering capabilities of the company give it a competitive edge in Cost, Design & Project schedule over its competitors. BGR's strong order book position, executable over a period of 3-4 years, provides strong revenue visibility. And as we write this, news has just been released that BGR has been awarded the BOP contract for the Maharashtra Government this Rs16.32bn order increases its current order book by 17% taking their total order book to Rs111.52, equivalent to 5.7x 2009 sales. BGR is also moving up the value to chain to become a complete EPC contractor. The company has recently bagged 2 large EPC orders from the Tamil Nadu and Rajasthan electricity boards. We expect the company to report 31% EPS CAGR over the next 2 years, with an return on equity ("ROE") of over 26%. BGR is currently trading at a PE multiple of 12.1x for Mar 2010 and 10.1x for Mar 2011. Comparing that to BHEL, arguably the industry leader with similar bottom line growth and ROEs, trading on a PE multiple of 22x for Mar 2010 and 18x Mar 2011, we see significant upside for BGR from current levels.

New additions

Inspur

Inspur Group is one of the largest IT companies in China. Inspur International is the listed vehicle of the group with Microsoft as a major shareholder. The company develops high-end software and solutions in China. China is dramatically short software relative to hardware. Key growth drivers for the company will be their Enterprise Resource Planning division which provides IT consultancy to railway companies and other major engineering based clients including Petrochina, Sinopec and China Aviation. This division contributes 18% of revenues with 50% gross margins. We expect 20-30% growth from this division. The other large growth driver will be the company's tax control system. Here penetration is low at 3%, pointing to significant medium term upside. The Chinese government has been slow in implementing an efficient tax collection system with the original target to try and have the whole country covered by 2010. This is unlikely to be achieved but the focus has not changed and indeed we expect this to now be accelerated. In 2006 this division had $6mn in sales which has since soared to HK$80mn in 2008! Gross margins at Inspur are 38% versus industry average of 10%, and are driven by economies of scale and proprietary technology. The company expects to sell 200,000 units this year versus 120,000 last year, so growth is significant.

We expect the company to report 26% EPS CAGR over the next 2 years, with an ROE of 35%+. Stock is currently trading at a PE multiple of 11.5x for 2010, which we view as significantly undervalued.

OPTO Circuits

We have written at length in previous Prusik newsletters about the opportunity in the healthcare space from emerging market economies, driven primarily by their low cost manufacturing base. We believe India's cost advantage and technical expertise can make the country a global hub for medical devices over the next 10 years. Opto Circuits, being the only large Indian medical device company, would be a key beneficiary of the industry's growth. Opto operates in both the invasive and non-invasive segments. Opto's growth in the next 2-3 years will be driven by sensors and monitors in global markets and vascular intervention products in the European and Asian markets. Opto's market share in the key markets in which it operates is still in single digits,

Investment Manager's Report (continued)

so there is huge potential for growth. Eurocor, its subsidiary in the invasive devices business, focuses on stents and balloons, and has scope to increase its penetration of the global markets. The total invasive market for which they are exposed to is USD 5bn vs. revenues of EUR 12mn in 2009. For the non-invasive segment, as well as Opto's own brands, Opto have acquired Criticare, a US based medical device manufacturer, producing a wide range of patient monitoring devices. Opto is revamping the products and the sales and marketing function of newly acquired Criticare. The company is also trying to penetrate non-US markets with Criticare's advanced products. Currently Criticare products are manufactured in the US, but this is expected to move over to India over the next 12 months. This should translate to significantly higher margins for Criticare products (currently Criticare EBITDA margins are 18% vs. 40% for OPTO products). These initiatives, we believe, will be the major growth drivers for the next couple of years. We forecast an EPS CAGR of 23% over the next 2 years, with an ROE over 37%. At current market price the stock is trading at a PE multiple of 8.6x March 2010.

Nuclear

We think the current acceleration in interest in Nuclear power is likely to continue, not least because focus on carbon emissions will make nuclear look like a very attractive option. Currently 16% of world electricity generation is nuclear, 39% coal, 15% gas, 10% oil and 19% hydro. In 2005 there were 374 nuclear reactors – of which 114 were in North America, 133 in Europe and 64 in Asia. Russia had 23, China 7 and India 3. By 2020 the number is expected to rise to over 500 however, the mix is changing. Europe is reducing the number whist the US is adding. Meanwhile, China, India and Russia are getting serious; adding 28, 11 and 10 reactors respectively with a further 111 planned.

We have added 2 companies that will benefit from the rollout in the nuclear space. Korea Plant and Services, currently 80% held by KEPCO, provides maintenance and planned outage services for power plants including nuclear which contributes 36% of sales and Hydro/thermal which contributes 40%. It has, of course, dominant market share in Korea due to the security and technical importance of what it does. However, its market share is rising overseas also as their almost unique ability to manage an entire nuclear plant service project end to end means they are an easy choice for customers from both an efficiency and security perspective.

At home in Korea, starting with the completion of the Kori 1 reactor in 2010, the construction of a total of eight new nuclear power plants with a capacity of 1,000MW-1,400MW each, is scheduled to be finished by 2016. KPS is in charge of nearly 100% of the services at these plants. As such, when the new plants start operating in 2011 the company's sales should rise to a much higher level. In 2011, its total sales are projected to exceed W1tn from W764mn in 2008 aided by W357.2bn in sales from the nuclear power division. Furthermore, in 2012 sales from this division are predicted to reach W405.6bn on the back of operations at new plants such as the Kori Unit 2 and the new Wolseong Unit 1. These sales will account for 36% of the company's total sales. We believe the division will grow into a major growth engine increasing overall sales for the company. Areva T & D India is the other company we have added in the nuclear arena. Its global parent – Areva which holds a 72% stake in Areva T & D India - is the world's market leader in nuclear power and the third largest player in the T & D space. We see Areva T & D, best positioned to benefit from the nuclear roll out in India, driven by Areva's current projects which should translate to orders for the Indian arm. In addition Areva T&D has emerged as the strongest player in Power Transmission & Distribution (T & D) space in terms of order intake in the past one year. It has also undertaken huge capex in India to cater to the booming demand in the 765kv substation and High Voltage Direct Current segment. We are positive on the long term prospects of the company given the anticipated investment in Power T & D segment and their exposure to Nuclear.

We have also added some investments in niche Hong Kong, Thai & Indonesian real estate developers, and one Thai sugar producer.

Portfolio valuation

Ex the two gold holdings the portfolio trades on 13x 2009 and 10x 2008 with 30% growth into 2010 and a ROE of 20% on 2010 earnings. Amit has returned from a trip to Singapore where he viewed a number of the fund's holdings and prospective holdings. Heather is in Hong Kong, Malaysia and Singapore in September. Ed visits Beijing, Shanghai and then goes to Hong Kong, Singapore, again in September.

Prusik Investment Management LLP
10 August 2009

BALANCE SHEET

	Note	As at 30 June 2009 USD	As at 31 December 2008 USD
Current Assets:			
Financial Assets, at cost		17,928,005	6,191,666
Financial Assets, at fair value through profit or loss		20,521,130	6,360,513
Cash	5	11,857,751	7,544,010
Dividends and Interest receivable		8,650	59
Receivable for forward foreign currency contracts		84,207	-
Other Assets		38,122	46,221
Total Assets:		32,509,860	13,950,803
Liabilities (amounts falling due within one year):			
Financial Liabilities, at fair value through profit or loss		-	56,966
Payable for Investments purchased		2,188,020	413,739
Accrued Expenses:			
Investment Management Fees	4	39,276	21,830
Performance Fees	4	106,651	-
Equalisation Payable	4	14,912	-
Administration Fees	4	7,518	6,720
Custody Fees	4	14,537	8,824
Audit Fees		24,439	31,003
Directors' Fees	4	6,391	1,278
Other Fees		47,696	29,876
Liabilities (excluding Net assets attributable to holders of redeemable participating shares)		2,449,440	570,236
Net assets attributable to holders of redeemable participating shares		30,060,420	13,380,567
Class A Dollar Non-Distributing Class			
Net Assets		USD 25,220,508	USD 12,234,604
Outstanding redeemable participating shares		244,821	156,878
Net Asset Value per share		USD 103.02	USD 77.99
Class B Dollar Distributing Class			
Net Assets		USD 3,218,166	USD 652,837
Outstanding redeemable participating shares		31,236	8,371
Net Asset Value per share		USD 103.03	USD 77.99
Class C Sterling Distributing Class			
Net Assets		GBP 977,021	GBP 339,147
Outstanding redeemable participating shares		18,246	8,131
Net Asset Value per share		GBP 53.55	GBP 41.71

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

Notes to the Financial Statements (continued)

1. THE COMPANY

Prusik Asian Smaller Companies Fund Plc (the "Company") is a public limited liability investment company with variable capital, incorporated on 11 January 2008 in Ireland pursuant to the Companies Acts, 1963 to 2006 and authorised by the Financial Regulator (the "Financial Regulator"), as an investment company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003, as amended ("UCITS Regulations").

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The investment objective of the Company is to engineer capital growth primarily by investing in companies operating in the Asian and Australasian 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 2006 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 comply fully with the requirements outlined in UCITS Notice 8 in relation to the preparation of semi-annual financial statements.

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 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) Initial Measurement
Purchases and sales of financial instruments are accounted for at trade date. Realised gains and losses on disposals of financial instruments are calculated using the FIFO ("first in first out") method. Financial instruments categorised at fair value through profit or loss are measured initially at fair value, with transaction costs for such instruments being recognised directly in the Income Statement.

(iii) 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.

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 as at 30 June 2009 and 31 December 2008 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 30 June 2009 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 30 June 2009 and 31 December 2008 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 Directors propose to distribute at least 85 per cent of the net investment income of the Class B Dollar Distributing Class and the Class C Sterling Distributing Class of the Company and intend that the Company will apply to the HM Revenue & Customs in the UK for Distributor Status, for the period ended 31 December 2008. 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 a dividend will be declared in April of each year, and will be paid within four months of declaration. However, the Directors may at their discretion determine the frequency at which a dividend is paid. Shareholders will be notified of any change in the frequency of the payment of dividends. Distributions to holders of redeemable participating shares are recorded in the Income Statement as Finance Costs when paid. As at 30 June 2009 and 31 December 2008 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 of its primary assets and 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 period.

EXPENSES

All expenses, including Investment Management fees and Performance fees, are recognised in the Income Statement on an accrual basis.

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

3. SHARE CAPITAL

AUTHORISED

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

Notes to the Financial Statements (continued)

3. SHARE CAPITAL (continued)

NON-PARTICIPATING SHARES

There are currently 300,000 non-participating shares in issue. Prusik Investment Management LLP (the "Investment Manager") and Heather Manners (partner of the Investment Manager) hold 299,999 and 1 non-participating shares, respectively, in the Company. 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 period ended 30 June 2009 is as follows:

	Class A Dollar Non-Distributing Class		**Class B Dollar Distributing Class**	
	Shares	**USD**	**Shares**	**USD**
At the beginning of the period	156,878	15,534,940	8,371	840,243
Issued	98,627	9,845,475	27,123	2,712,288
Equalisation	-	(7,833)	-	(1,332)
Redeemed	(10,684)	(824,142)	(4,258)	(423,747)
At the end of the period	244,821	24,548,440	31,236	3,127,452

	Class C Sterling Distributing Class	
	Shares	**USD**
At the beginning of the period	8,131	756,391
Issued	10,123	853,558
Equalisation	-	(5,747)
Redeemed	(8)	(486)
At the end of the period	18,246	1,603,716

The movement in the number of redeemable participating shares for the period ended 30 June 2008 is as follows:

	Class A Dollar Non-Distributing Class		**Class B Dollar Distributing Class**	
	Shares	**USD**	**Shares**	**USD**
At the beginning of the period	-	-	-	-
Issued	145,129	14,460,605	9,473	948,381
Equalisation	-	(331)	-	(6)
Redeemed	(973)	(98,230)	(1,003)	(100,302)
At the end of the period	144,156	14,362,044	8,470	848,073

	Class C Sterling Distributing Class	
	Shares	**USD**
At the beginning of the period	-	-
Issued	7,095	696,081
Equalisation	-	65
Redeemed	-	-
At the end of the period	7,095	696,146

Notes to the Financial Statements (continued)

3. SHARE CAPITAL (continued)

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

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

4. SIGNIFICANT AGREEMENTS AND RELATED PARTY TRANSACTION

INVESTMENT MANAGEMENT FEES

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

Each Share Class pays a management fee as below, subject to the terms and conditions of the Prospectus:

Class A Dollar Non-Distributing Class	1.50%
Class B Dollar Distributing Class	1.50%
Class C Sterling Distributing Class	1.50%

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 payable at the end of the period are included in the Balance Sheet.

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.

For further details on the Performance Fee calculations and Equalisation Credits please refer to the Prospectus.

Details of the Performance Fee and Equalisation Credits payable at the end of the period are included in the Balance Sheet

ADMINISTRATOR FEES

The Company pays to the Administrator Administration Fees of 0.05% of the Net Asset Value of the Company, together with VAT, if any of such fee. The Administrator's fees shall be accrued at each Valuation Point and shall be payable monthly in arrears, subject to a monthly minimum charge of US$8,333. Details of the Administrator fees payable at the end of the period are included in the Balance Sheet.

Notes to the Financial Statements (continued)

4. SIGNIFICANT AGREEMENTS AND RELATED PARTY TRANSACTION (continued)

CUSTODIAN FEES

The Company will pay Brown Brothers Harriman Trustee Services (Ireland) Limited, (the "Custodian") a trustee fee of 0.02% of the Net Asset Value of the Company. The Custodian will also receive a custody fee ranging from 0.0075% to 0.60% 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 USD12,000 per annum. Details of the Custodian fees payable at the end of the period are included in the Balance Sheet.

RELATED PARTIES

DIRECTORS

Heather Manners is Chief Investment Officer of the Investment Manager. The Investment Management earned fees of USD 131,898 (2008: USD 81,661) and Performance fees of USD 109,183 (2008: USD 0) for the period. David Hammond is a Director of Bridge Consulting, which earned fees of USD 10,194 for the period (2008: USD 7,500), a financial services consultancy and business advisory firm.

The Directors of the Company shall be entitled to a fee in remuneration for their services at a rate determined by the Directors up to a maximum fee per Director of Euro 5,000 (plus VAT, if any) for the period. 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 period are included in the Income Statement and Balance Sheet, respectively.

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 has been made in the ordinary course of business and on normal commercial terms.

DIRECTORS & RELATED PARTIES INTERESTS

The following Directors held shares in the Company as at 30 June 2009

Prusik Smaller Companies Fund	Shares	Class
Richard Hayes	764	Class A Dollar Non-Distributing Class
Heather Manners	3,543	Class B Dollar Distributing Class

The following Directors held shares in the Company as at 31 December 2008

Prusik Smaller Companies Fund	Shares	Class
Richard Hayes	764	Class A Dollar Non-Distributing Class
Heather Manners	3,069	Class B Dollar Distributing Class

5. CASH AT BANK

All cash balances were held under the control of the Custodian for the period ended 30 June 2009 and 31 December 2008.

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

Notes to the Financial Statements (continued)

6. TAXATION (continued)

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.

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 period ending 30 June 2009 and 31 December 2008 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 30 June 2009 and 31 December 2008 the Company did not hold any such instruments for the purposes of efficient portfolio management, apart from forward currency contracts held with the Custodian.

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:

30 June 2009	For USD 1.00
Australian Dollar	1.2289
Hong Kong Dollar	7.7501
Indonesian Rupiah	10,217.00
Korean Won	1,275.80
Malaysian Ringgit	3.5175
Pound Sterling	0.6025
Singapore Dollar	1.4457
Thailand Baht	34.055
Taiwan Dollar	32.812

31 December 2008	For USD 1.00
Australian Dollar	1.4449
Hong Kong Dollar	7.7500
Pound Sterling	0.6878
Singapore Dollar	1.4441
Taiwan Dollar	32.820

Notes to the Financial Statements (continued)

10. 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 valuations methods may result in a difference between the NAV per share shown the financial statements and the NAV per share at which redeemable participating shares are issued and redeemed.

As at 30 June 2009 and 31 December 2008 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

	30 June 2009 USD	31 December 2008 USD
Valuation in accordance with Prospectus	30,201,615	13,444,488
Adjustment for bid and offer pricing	(141,195)	(63,921)
Valuation in accordance with FRS26	30,060,420	13,380,567

Dealing NAV analysis

		As at 30 June 2009 Net Assets		NAV per Share
Class A Dollar Non-Distributing Class	USD	25,373,216	USD	103.64
Class B Dollar Distributing Class	USD	3,237,651	USD	103.65
Class C Sterling Distributing Class	GBP	984,183	GBP	53.94

		As at 31 December 2008 Net Assets		NAV per Share
Class A Dollar Non-Distributing Class	USD	12,293,051	USD	78.36
Class B Dollar Distributing Class	USD	655,956	USD	78.36
Class C Sterling Distributing Class	GBP	340,768	GBP	41.91

11. PORTFOLIO ANALYSIS

As at 30 June 2009

	Market Value USD	% of Net Asset Value
Transferable securities admitted to an official exchange listing	14,301,043	47.57
Transferable securities dealt on another regulated market	2,737,544	9.11
Financial derivative instruments dealt on regulated market	3,482,543	11.59
Financial derivative instruments (Forward Contracts)	84,207	0.28
Total Financial Assets at fair value through profit or loss	**20,605,337**	**68.55**

As at 31 December 2008

	Market Value USD	% of Net Asset Value
Transferable securities admitted to an official exchange listing	5,486,201	41.01
Transferable securities dealt on another regulated market	874,312	6.53
Financial derivative instruments (Forward Contracts)	(56,966)	(0.43)
Total Financial Assets at fair value through profit or loss	**6,303,547**	**47.11**

Notes to the Financial Statements (continued)

12. SUBSEQUENT EVENTS

There were no material post balance sheet events.

13. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Directors on 18 August 2009.

Portfolio of Investments

Common Stocks & Equity Linked Notes Financial Assets at fair value through profit or loss	Shares	Value USD	Percent of Net Assets
Australia (2008: USD 874,312; 6.54%)			
Basic Materials (2008: USD 874,312; 6.54%)			
Sino Gold Mining Ltd.	204,000	846,645	2.82
Consumer, Non-cyclical (2008: USD 0; 0%)			
ABB Grain Ltd.	40,000	301,420	1.00
Total Australia		1,148,065	3.82
China/Hong Kong (2008: USD 4,347,949; 32.49%)			
Basic Materials (2008: USD 456,744; 3.41%)			
Zhaojin Mining Industry Co., Ltd.	575,000	933,343	3.10
Consumer, Cyclical (2008: USD 409,944; 3.06%)			
Inspur International Ltd.	3,400,000	583,476	1.94
REXLot Holdings Ltd.	15,275,000	1,182,565	3.93
		1,766,041	5.87
Consumer, Non-cyclical (2008: USD 1,067,505; 7.98%)			
China Green Holdings Ltd./Bermuda	807,000	839,269	2.79
China Medical Technologies Inc.	21,000	417,900	1.39
AMVIG Holdings Ltd.	528,000	340,641	1.13
		1,597,810	5.31
Financial (2008: USD 760,356, 5.68%)			
Lai Sun Development	39,800,000	652,198	2.17
Industrial (2008: USD 1,216,531; 9.10%)			
China Automation Group Ltd.	2,444,000	949,206	3.16
Wasion Group Holdings Ltd.	1,420,000	1,059,031	3.52
Zhuzhou CSR Times Electric Co., Ltd.	620,000	878,389	2.93
		2,886,626	9.61
Technology (2008: USD 0; 0%)			
Ju Teng International Holdings Ltd.	1,720,000	927,678	3.09
Total China/Hong Kong		8,763,696	29.15
Indonesia (2008: USD 0; 0%)			
Financial (2008: USD 0, 0%)			
Ciputra Development Tbk PT	5,500,000	382,206	1.27
Total Indonesia		382,206	1.27
India (2008: USD 0; 0%)			
Basic Materials (2008: USD 0; 0%)			
United Phosphorus Ltd.***	277,000	810,210	2.70

Portfolio of Investments (continued)

Common Stocks & Equity Linked Notes (continued)	Shares	Value USD	Percent of Net Assets
India (2008: USD 0; 0%) (continued)			
Consumer, Non-cyclical (2008: USD 0; 0%)			
Opto Circuits India Ltd.***	250,000	834,711	2.78
Industrial (2008: USD 0; 0%)			
Areva T&D India Ltd.**	92,000	634,706	2.11
BGR Energy Systems Ltd.***	126,217	831,459	2.77
		1,466,165	4.88
Utilities (2008: USD 0; 0%)			
KEC International Ltd.**	44,597	371,457	1.23
Total India		3,482,543	11.59
Singapore (2008: USD 1,107,465; 8.28%)			
Consumer, Non-cyclical (2008: USD 320,199; 2.39%)			
Raffles Medical Group Ltd.	160,000	105,139	0.35
Industrial (2008: USD 403,781; 3.02%)			
China Farm Equipment Ltd.	3,116,000	269,420	0.90
Total Singapore		374,559	1.25
South Korea (2008: USD 0; 0%)			
Communications (2008: USD 0; 0%)			
CJ Internet Corp.	60,000	660,762	2.20
Com2uS Corp.	70,000	510,817	1.70
Woongjin Thinkbig Co., Ltd.	40,000	705,440	2.35
		1,877,019	6.25
Industrial (2008: USD 0; 0%)			
Korea Plant Service & Engineering Co., Ltd.	30,000	783,038	2.60
Total South Korea		2,660,057	8.85
Taiwan (2008: USD 0; 0%)			
Consumer, Cyclical (2008: USD 0; 0%)			
Tainan Spinning Co Ltd.	1,982,000	661,432	2.20
Financial (2008: USD 0, 0%)			
Hung Poo Real Estate Development Corp.	460,000	577,594	1.92
Technology (2008: USD 0; 0%)			
Harvatek Corp.	1,160,000	866,147	2.88

Portfolio of Investments (continued)

Common Stocks & Equity Linked Notes (continued)	Shares	Value USD	Percent of Net Assets
Taiwan (2008: USD 0; 0%) (continued)			
Total Taiwan		2,105,173	7.00
Thailand (2008: USD 0; 0%)			
Consumer, Non-cyclical (2008: USD 0; 0%)			
Khon Kaen Sugar Industry PCL	2,150,000	621,862	2.07
Financial (2008: USD 0; 0%)			
LPN Development PCL	6,500,000	982,969	3.27
Total Thailand		1,604,831	5.34
Total common stocks (Cost USD)		**20,521,130**	**68.27**

Forward Currency Contracts Open as of 30 June 2009

Currency Purchased	Principal Amount	Currency Sold	Currency Market Value USD	Aggregate Face Value USD	Settle Date	Unrealised Gain USD	Percent of Net Assets
GBP	855,129	USD	1,419,207	1,335,000	26-Aug-09	84,207	0.28
	855,129		1,419,207	1,335,000		84,207	

	Value USD	Percent of Net Assets
Total Financial Assets at fair value through profit or loss	**20,605,337**	**68.55**
Other assets in excess of liabilities	**9,455,083**	**31.45**
Net assets attributable to holders of redeemable participating	**30,060,420**	**100.00**

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

* ADR denotes American Depositary Receipt
** Equity Linked Notes

Prusik Asian Smaller Companies Fund Plc

Semi-Annual Report and Audited Financial Statements
(Unaudited)

Statements of Changes in Composition of Portfolio

Major Purchases for the period ended 30 June 2009	Shares or Principal Amount or Par	Cost USD
LPN Development PCL	15,100,000	1,801,023
Tainan Spinning Co., Ltd.	4,832,000	1,408,384
Hung Poo Real Estate Development Corp.	1,110,000	1,279,524
Harvatek Corp.	1,460,000	968,028
Lai Sun Development	56,000,000	958,615
EmCo., Ltd.	530,000	940,782
BGR Energy Systems Ltd.	143,194	909,169
China Medical Technologies Inc.	48,000	907,999
Oceanus Group Ltd.	5,250,000	788,825
Ezra Holdings Ltd.	850,000	788,703
United Phosphorus Ltd.	277,000	781,355
CJ Internet Corp.	60,000	762,026
Korea Plant Service & Engineering Co., Ltd.	30,000	753,115
Midland Holdings Ltd.	1,654,000	720,870
Ju Teng International Holdings Ltd.	1,720,000	709,757
Com2uS Corp.	70,000	692,016
Woongjin Thinkbig Co., Ltd.	40,000	687,899
Khon Kaen Sugar Industry PCL	2,150,000	648,635
Opto Circuits India Ltd.	250,000	645,598
Areva T&D India Ltd.	92,000	630,653
Inspur International Ltd.	3,400,000	588,952
China Farm Equipment Ltd.	5,793,000	567,523
Sino Gold Mining Ltd.	134,000	537,045
Zhaojin Mining Industry Co., Ltd.	355,000	534,276
KEC International Ltd.	59,597	493,800
Wasion Group Holdings Ltd.	670,000	467,980
REXLot Holdings Ltd.	9,725,000	463,703
China Automation Group Ltd.	1,512,000	416,736
Indofood Agri Resources Ltd.	1,100,000	403,983
Fortune Electric Co., Ltd.	420,000	400,277
Swiber Holdings Ltd.	2,300,000	392,366
Ciputra Development Tbk PT	5,500,000	384,687
Fraser and Neave Ltd.	240,000	347,927
Singapore Technologies Engineering Ltd.	215,000	337,580
China Hongxing Sports Ltd.	3,450,000	324,237
China Everbright International Ltd.	1,200,000	312,929
Zhuzhou CSR Times Electric Co., Ltd.	200,000	306,352
Midas Holdings Ltd.	850,000	296,287
AMVIG Holdings Ltd.	528,000	293,448

Statements of Changes in Composition of Portfolio (continued)

Major Sales for the period ended 31 December 2008	Shares or Principal Amount or Par	Proceeds USD
LPN Development PCL	8,600,000	1,241,918
Midland Holdings Ltd.	1,654,000	1,035,755
China Everbright International Ltd.	3,778,000	995,536
EmCo, Ltd.	530,000	979,578
Oceanus Group Ltd.	5,250,000	943,247
Wasion Group Holdings Ltd.	1,570,000	857,228
Tainan Spinning Co., Ltd.	2,850,000	817,581
China Hongxing Sports Ltd.	6,650,000	779,841
Hung Poo Real Estate Development Corp.	650,000	762,142
Indofood Agri Resources Ltd.	1,100,000	757,659
Midas Holdings Ltd.	1,907,000	734,760
Ezra Holdings Ltd.	850,000	674,812
Swiber Holdings Ltd.	2,300,000	668,618
China Medical Technologies Inc.	27,000	614,944
Fraser and Neave Ltd.	240,000	605,697
Raffles Medical Group Ltd.	920,000	604,175
Fortune Electric Co., Ltd.	420,000	439,341
Zhaojin Mining Industry Co., Ltd.	370,000	396,664
Huadian Power International Co.	1,850,000	382,607
Golden Eagle Retail Group Ltd.	490,000	364,905
Singapore Technologies Engineering Ltd.	215,000	355,478
Lai Sun Development	16,200,000	306,921
Mingyuan Medicare Development Co., Ltd.	6,010,000	290,553
Sino-Environment Technology Group Ltd.	980,000	286,203
Sino Gold Mining Ltd.	75,000	265,598
Chaoda Modern Agriculture Holdings Ltd.	370,800	229,934
Harvatek Corp.	300,000	228,028
China Farm Equipment Ltd.	2,677,000	227,653
Lynas Corp., Ltd.	2,000,000	187,468
REXLot Holdings Ltd.	6,450,000	183,753

Directors and Other Information

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Heather Manners
Richard Hayes

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