

PRUSIK ASIAN SMALLER COMPANIES FUND PLC

(An open-ended investment company with variable capital established as an umbrella fund with segregated liability between sub-funds and established as a UCITS under the law of Ireland)

**Condensed Semi-Annual Report and Unaudited Financial Statements
For the Period Ended 30 June, 2012**

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GENERAL INFORMATION

Prusik Asian Smaller Companies Fund plc (the “Company” or the “Fund”) is a public limited liability investment company with variable capital, incorporated on 11 January 2008 in Ireland pursuant to the Companies Acts, 1963 to 2012 and authorised by the Central Bank of Ireland (the “Central Bank”), as an investment company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (the “UCITS Regulations”).

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

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

The Company commenced trading on 8 February 2008. There are five share classes in issue in the Company:

- Class A Dollar Non-Distributing Class (first issued on 8 February 2008)
- Class B Dollar Distributing Class (first issued on 8 February 2008)
- Class C Sterling Distributing Class (first issued on 25 April 2008)
- Class D Singapore Dollar Distributing Class (first issued on 22 December 2009)
- Class E Singapore Dollar Class (first issued on 21 September 2011)

Brown Brothers Harriman Fund Administration Services (Ireland), Limited (the “Administrator”) determines the Net Asset Value (“NAV”) per Share of each Class of the Company on the first and third Friday of each calendar month (“Dealing Day”) provided 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 11 January 2011.

Investment Objective

The investment objective of the Company is to engineer capital growth primarily by investing in companies operating in the Asian 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% of the NAV in cash for any period of time Prusik Investment Management LLP (the “Investment Manager”) deems this prudent. The Company limits its investment in other Collective Investment Schemes to a maximum of 10% of its NAV.

The Fund 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 (B 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 Fund may invest will be of investment grade.

GENERAL INFORMATION (CONTINUED)

Investment Objective (continued)

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

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

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

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

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

INVESTMENT MANAGER'S REPORT

Prusik Asian Smaller Companies Fund plc June 2012

The half year to June 2012 saw stock markets in Asia gain modestly and the regional index rose by 5.5%. The muted performance of the index masked some stronger moves within the region, especially in ASEAN. The pattern of trading was quite volatile as markets rallied hard in the first quarter, only to correct and give up most of that gain in the second quarter. Over the period the Prusik Asian Smaller Companies Fund was up 13.8%.

Despite the poor global macroeconomic backdrop, Asian smaller companies produced a solid absolute return reflecting attractive valuations generated by very oversold stock markets in 2011 and good fundamentals. Additional impetus was created by the easier liquidity environment in Asia and the recognition that there were several areas of the region with a very strong underlying story. The positive contributors to performance largely came from the ASEAN region, especially from Vietnam, Thailand and the Philippines. Consumer related companies such as Philippine hypermarket, PureGold, and Malaysian Shariah insurance company, Syarikat Takaful, did very well. Other successful themes included 'entertainment and leisure' via the Korean mobile gaming companies, Com2us and Gamevil and Taiwanese bicycle maker, Merida.

At the start of the year we set out our stall for 2012 as follows:

- The liquidity environment would be better in 2012 than in 2011.
- We felt it unlikely that there would be a resolution in Europe (such as fiscal unity) until later in the year at the earliest.
- Asian valuations suggested likely upside. Furthermore, if shares and hence valuations were to fall a further 20% then we would have been at all time historic valuation lows and would have reached levels where it has always been correct to ignore the macro picture and buy stocks. As such, the risk/reward was favorably skewed with the risk on the downside looking smaller than the potential upside.
- We believed there was 40% upside to Hong Kong and China and well over 100% upside in Vietnam. Other ASEAN markets such as the Philippines warranted at least 15%-20% upside.

We set up the portfolio weightings as follows:

- **Hong Kong and China: 25-40%** based on the attractive value of companies and expectations of policy softening in China.
- **ASEAN: 45-65%** based on the extreme value and upside potential in Vietnam and the strong demographic and domestic economic environment in Thailand, the Philippines and Malaysia.
- **Gold: 5-10%** based on the likely move towards money creation in the absence of anything else working in the West and Asian governments' voracious appetite for increasing gold as a share of foreign reserves.
- **Technology: 5-10%** based on the strong handset theme and the sector's attractive valuation after a bad 2011.
- **Mobile Social Gaming: 5-10%** one of the strongest new themes which arrived in China and Emerging Markets this year.
- **Biotech: 5-10%** a good performer in 2011 but 2012 will bring further upside through monetization of products and M&A from 'big pharma' predators.

Over the first half of 2012 we kept close to the word of our expected weightings and there have been very few changes to the fund. The ASEAN weighting has been at the top end of our range whilst Hong Kong has been below after profit taking after the first quarter rally. This was following concerns that the China economy is slowing more dramatically than expected whilst there has been a notable absence of convincing economic stimulus.

Thematically there have also been few changes. We remain fully invested. We can see on screening, quantitative analysis and from our travels that there are some very cheap opportunities now emerging in North Asia especially Korea and China. Indeed the valuation gap between defensives and cyclicals is approaching 2008/9 levels, suggesting that some rebalancing might be due. We are not overly optimistic about either economy but thematically and fundamentally we are far more inclined towards Korean companies since cyclicals here have become so cheap that we probably only need just one small catalyst to generate significant upside in select stocks. At the time of writing we are rebalancing but not too aggressively.

INVESTMENT MANAGER'S REPORT (CONTINUED)

Concluding thoughts

The overall macroeconomic picture both globally and in the region currently remains insufficient to begin the next bull market but does remain sufficiently supportive to continue current patterns. By this we mean significant outperformance and indeed impressive absolute returns in countries and companies which have genuinely strong fundamentals. The dispersion of returns in the region this year to date is quite large, and very supportive to attentive stock picking and non-index bets. This is the bread and butter of Prusik funds.

While we cannot rule out a globally driven correction in all markets we do feel that, given the relative fundamentals, excellent value is still available in Asia. At current price to book ratios or implied earnings growth, Asia is trading close to recession valuation levels, below which it has rarely fallen and when it has a very good buying opportunity has emerged.

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

Prusik Investment Management LLP
August 2012

SCHEDULE OF INVESTMENTS

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock - 94.00% (31 December 2011: 69.61%)					
Australia - 6.83% (31 December 2011: 9.16%)					
	790,000	Alchemia Ltd.	424,709	361,277	0.44%
	1,700,000	Bionomics Ltd.	1,031,379	492,373	0.60%
	260,000	Medusa Mining Ltd.	2,223,443	1,273,564	1.56%
	560,000	Perseus Mining Ltd.	1,861,584	1,405,677	1.72%
	4,100,000	Phosphagenics Ltd.	646,415	583,328	0.72%
	1,050,000	Starpharma Holdings Ltd.	1,097,357	1,461,876	1.79%
			<u>7,284,887</u>	<u>5,578,095</u>	<u>6.83%</u>
China - 2.55% (31 December 2011: 2.19%)					
	1,600,000	Zhaojin Mining Industry Co. Ltd.	1,976,089	2,079,396	2.55%
			<u>1,976,089</u>	<u>2,079,396</u>	<u>2.55%</u>
Hong Kong - 6.95% (31 December 2011: 0.00%)					
	1,000,000	Digital China Holdings Ltd.	1,817,746	1,735,408	2.13%
	2,938,000	Skyworth Digital Holdings Ltd.	1,306,053	1,291,703	1.58%
	2,990,000	TCL Communication Technology Holdings Ltd.	1,614,503	948,337	1.16%
	2,000,000	Tianneng Power International Ltd.	1,080,275	1,049,497	1.29%
	275,000	YGM Trading Ltd.	852,569	641,753	0.79%
			<u>6,671,146</u>	<u>5,666,698</u>	<u>6.95%</u>
Indonesia - 2.15% (31 December 2011: 0.52%)					
	3,104,000	Jasa Marga Persero Tbk PT	1,433,296	1,751,525	2.15%
			<u>1,433,296</u>	<u>1,751,525</u>	<u>2.15%</u>
Malaysia - 8.35% (31 December 2011: 6.97%)					
	1,250,000	Alliance Financial Group Bhd	1,443,477	1,621,792	1.99%
	3,400,000	JCY International Bhd	1,691,770	1,627,460	2.00%
	1,500,000	Silverlake Axis Ltd.	429,968	431,034	0.53%
	450,000	Syarikat Takaful Malaysia Bhd	405,358	816,249	1.00%
	904,440	Ta Ann Holdings Bhd	1,458,555	1,281,682	1.57%
	1,330,000	TSH Resources Bhd	1,059,900	1,030,326	1.26%
			<u>6,489,028</u>	<u>6,808,543</u>	<u>8.35%</u>
Philippines - 15.00% (31 December 2011: 4.22%)					
	700,000	CEBU Air, Inc.	1,098,825	1,146,423	1.41%
	1,600,000	Citiseconline.com, Inc.	831,757	882,339	1.08%
	12,500,000	Energy Development Corp.	1,611,703	1,791,657	2.20%
	1,120,000	International Container Terminal Services, Inc.	1,627,883	1,916,805	2.35%
	10,200,000	Pepsi-Cola Products Philippines, Inc.	678,770	669,170	0.82%
	400,000	Philippine Seven Corp.	438,050	463,989	0.57%
	2,900,000	Puregold Price Club, Inc.	1,115,603	1,861,184	2.28%
	4,527,000	RFM Corp	329,724	385,231	0.47%
	2,000,000	Robinsons Land Corp.	653,895	827,193	1.01%
	385,000	Security Bank Corp.	1,077,559	1,296,755	1.59%
	10,000,000	Vista Land & Lifescapes, Inc.	881,279	993,582	1.22%
			<u>10,345,048</u>	<u>12,234,328</u>	<u>15.00%</u>
Singapore - 7.10% (31 December 2011: 10.30%)					
	1,840,000	ARA Asset Management Ltd.	1,657,908	2,064,242	2.53%
	5,000,000	Lian Beng Group Ltd.	1,602,871	1,456,464	1.79%
	1,380,000	Super Group Ltd.	1,802,446	2,270,666	2.78%
			<u>5,063,225</u>	<u>5,791,372</u>	<u>7.10%</u>

SCHEDULE OF INVESTMENTS (CONTINUED)

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock - 94.00% (31 December 2011: 69.61%) (continued)					
South Korea - 10.79% (31 December 2011: 1.70%)					
	51,000	Com2uSCorp	1,101,430	1,825,786	2.24%
	21,600	Daum Communications Corp.	1,851,461	1,929,413	2.37%
	40,000	Gamevil, Inc.	2,117,529	3,101,479	3.80%
	160,000	Kolao Holdings	1,695,374	1,941,917	2.38%
			6,765,794	8,798,595	10.79%
Taiwan - 4.91% (31 December 2011: 7.42%)					
	700,000	Merida Industry Co. Ltd.	1,562,623	2,532,239	3.10%
	434,000	Senao International Co. Ltd.	1,440,148	1,475,498	1.81%
			3,002,771	4,007,737	4.91%
Thailand - 16.18% (31 December 2011: 11.63%)					
	1,350,000	Airports of Thailand PCL	2,179,707	2,539,751	3.11%
	36,500,000	Hemaraj Land & Development PCL	2,101,317	3,447,733	4.23%
	4,800,000	LPN Development PCL	2,198,425	2,569,270	3.15%
	5,729,900	Sino Thai Engineering & Construction PCL	2,120,481	2,543,816	3.12%
	10,148,700	Thai Tap Water Supply PCL	1,903,368	2,093,010	2.57%
			10,503,298	13,193,580	16.18%
Vietnam - 13.19% (31 December 2011: 0.02%)					
	300,000	Danang Rubber JSC	163,895	373,116	0.46%
	500,000	Development Investment Construction Corp.	381,580	392,251	0.48%
	95,000	Dong Phu Rubber JSC	199,152	236,307	0.29%
	1,150,000	HAGL JSC	1,046,878	1,529,299	1.87%
	860,000	Hoa Phat Group JSC	978,561	987,324	1.21%
	700,000	Hoa Sen Group	508,856	596,030	0.73%
	2,500,000	Kim Long Securities Corp.	1,573,493	1,148,051	1.41%
	346,000	Lam Son Sugar JSC	423,598	422,052	0.52%
	3,311,643	Military Commercial Joint Stock Bank	2,199,440	2,201,953	2.70%
	720,000	Petroleum Equipment Assembly & Metal Structure JSC	411,739	347,859	0.43%
	460,000	PetroVietnam Drilling & Well Services JSC	859,220	796,556	0.98%
	1,800,000	Refrigeration Electrical Engineering Corp.	1,211,612	1,360,440	1.67%
	300,000	Southern Rubber Industry JSC	250,927	361,636	0.44%
			10,208,951	10,752,874	13.19%
		Total Common Stock	69,743,533	76,662,743	94.00%
Real Estate Investment Trusts - 2.20% (31 December 2011: 0.00%)					
Singapore - 2.20% (31 December 2011: 0.00%)					
	2,343,600	Mapletree Logistics Trust	1,430,617	1,798,937	2.20%
			1,430,617	1,798,937	2.20%
		Total Real Estate Investment Trusts	1,430,617	1,798,937	2.20%
		Total Fair Value of Investments	71,174,150	78,461,680	96.20%

SCHEDULE OF INVESTMENTS (CONTINUED)

Forward Foreign Currency Contracts - 0.11% (31 December 2011: (0.32%))

Currency Bought	Amount Bought	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss)	% of Net Assets
GBP	5,756,058	USD	(9,000,000)	12/09/2012	Brown Brothers Harriman	(34,428)	(0.04%)
SGD	344,933	USD	(270,000)	12/09/2012	Brown Brothers Harriman	1,578	0.00%
USD	3,403,260	AUD	(3,330,000)	18/07/2012	Brown Brothers Harriman	24,093	0.03%
SGD	21,079,245	USD	(16,500,000)	12/09/2012	Brown Brothers Harriman	96,446	0.12%
Total Forward Foreign Currency Contracts						87,689	0.11%
Total Financial Assets at Fair Value through Profit or Loss						78,583,797	96.35%
Total Financial Liabilities at Fair Value through Profit or Loss						(34,428)	(0.04%)
Cash						3,184,215	3.90%
Other Net Liabilities						(174,197)	(0.21%)
Net Assets Attributable to Holders of Redeemable Participating Shares						81,559,387	100.00%

BALANCE SHEET

	Notes	As at 30 June 2012 USD	As at 31 December 2011 USD
Current Assets:			
Financial Assets, at cost		71,174,150	47,465,794
Financial Assets, at Fair Value through Profit or Loss		78,583,797	49,556,048
Cash		3,184,215	20,560,209
Margin Cash		132,462	3,412,626
Dividends receivable		170,228	31,059
Other Assets		6,037	33,533
Total Assets:		82,076,739	73,593,475
Liabilities (amounts falling due within one year):			
Financial Liabilities, at Fair Value through Profit or Loss		34,428	245,310
Payable for investments purchased		332,433	2,120,540
Administration fees	3	319	39,126
Audit fees		22,541	40,149
Investment management fees	2	90,947	94,937
Performance fees	2	–	–
Organisational expenses		18,333	–
Directors' fees	5	19,919	4,360
Custody fees	4	(2,077)	24,254
Professional fees		(15,216)	–
Trustee fees	4	8,023	–
Other liabilities		7,702	30,278
Total Liabilities:		517,352	2,598,954
Net Assets Attributable to Holders of Redeemable Participating Shares (for financial statement purposes)	12	81,559,387	70,994,521

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

BALANCE SHEET (CONTINUED)

	Note	As at 30 June 2012	As at 31 December 2011
Class A Dollar Non-Distributing Class			
Net Assets	1	USD38,561,712	USD34,045,528
Outstanding redeemable participating Shares		289,708	290,611
Net Asset Value per share		USD133.11	USD117.15
Class B Dollar Distributing Class			
Net Assets	1	USD16,134,906	USD11,362,905
Outstanding redeemable participating Shares		121,099	96,894
Net Asset Value per share		USD133.24	USD117.27
Class C Sterling Distributing Class			
Net Assets	1	GBP6,046,774	GBP6,271,798
Outstanding redeemable participating Shares		87,431	102,799
Net Asset Value per share		GBP69.16	GBP61.01
Class D Singapore Dollar Distributing Class			
Net Assets	1	SGD21,798,848	SGD20,308,212
Outstanding redeemable participating Shares		119,564	126,086
Net Asset Value per share		SGD182.32	SGD161.07
Class E Singapore Dollar Distributing Class			
Net Assets	1	SGD356,807	SGD317,285
Outstanding redeemable participating Shares		3,423	3,423
Net Asset Value per share		SGD104.25	SGD92.70

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

PROFIT AND LOSS ACCOUNT

	Notes	For the six months ended 30 June 2012 USD	For the year ended 31 December 2011 USD	For the six months ended 30 June 2011 USD
Investment Income				
Dividend income		1,442,646	1,541,297	715,301
Interest income		–	3,838	2,332
Net realised gain/(loss) on Financial Assets and Liabilities at Fair Value through Profit or Loss		4,067,245	(11,530,488)	4,124,249
Movement in net unrealised gain/(loss) on Financial Assets and Liabilities at Fair Value through Profit or Loss		5,624,226	(6,988,930)	(1,286,657)
Total income		11,134,117	(16,974,283)	3,555,255
Expenses:				
Prepaid organisational fees		28,872	–	–
Transaction costs		229,783	399,391	229,963
Performance fees	2	1,418	7,381	225,653
Investment management fees	2	583,251	1,172,146	587,766
Administration fees	3	32,948	121,245	46,698
Professional fees	6	19,733	67,498	17,257
Audit fees		13,751	42,229	23,330
Director's fee	5	24,218	45,809	33,532
Custody fees	4	(28,015)	76,602	40,846
Trustee fees	4	7,804	–	–
Other expenses		15,660	67,194	32,541
Total expenses		929,423	1,999,495	1,237,586
Net Income/(Expenses) before finance costs		10,204,694	(18,973,778)	2,317,639
Finance Costs				
Overdraft Interest		(4,721)	–	–
Withholding tax on dividends		(115,705)	(195,361)	(71,820)
Total finance costs		(120,426)	(195,361)	(71,820)
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations		10,084,268	(19,169,139)	2,245,819

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

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

	Note	For the period ended 30 June 2012 USD	For the year ended 31 December 2011 USD	For the period ended 30 June 2011 USD
Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Participating Shares		10,084,268	(19,169,139)	2,245,819
Capital Share Transactions of Redeemable Participating Shares:				
Proceeds from issuance of Redeemable Participating Shares	1	29,837,663	30,546,125	15,040,978
Payments on redemption of Redeemable Participating Shares	1	(29,357,065)	(13,590,977)	(3,354,668)
Net inflow from capital shares transactions of Redeemable Participating Shares		480,598	16,955,148	11,686,310
Changes in Net Assets Attributable to Holders of Redeemable Participating Shares		10,564,866	(2,213,991)	13,932,129
Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the period		70,994,521	73,208,512	73,208,512
Net Assets Attributable to Holders of Redeemable Participating Shares at the end of the period		81,559,387	70,994,521	87,140,641

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Preparation of Financial Statements

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

The information required by FRS 3: “Reporting Financial Performance”, to be included in a statement of total recognised gains and losses and a reconciliation of movement in Shareholders’ funds, is in the opinion of the Directors contained in the Profit and Loss Account and Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares on pages 10 and 11. The financial statements have been prepared on a consistent basis with the prior year end accounts.

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

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

(i) Classification

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

Financial assets and financial liabilities held for trading

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

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

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

(ii) Recognition

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

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

(iii) Derecognition

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(iii) Derecognition (continued)

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. The Company derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

(iv) Initial Measurement

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

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

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

(v) Subsequent Measurement

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

Cash and other Liquid Assets

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

Derivative Instruments

Derivative instruments traded on a regulated market shall be valued at the settlement price as determined by the market. If the settlement price is not available, the value shall be the probable realisation value estimated with care and in good faith by (i) the Directors or the Investment Manager or (ii) a competent person, firm or corporation selected by the Directors and approved for the purpose by the Custodian or (iii) any other means provided that the value is approved by a competent person (such competent person having been approved for the purpose by the Custodian). Derivative contracts which are not traded on a regulated market including without limitation swap contracts will be valued on the basis of a quotation provided daily by the relevant counterparty and verified or approved at least weekly by a party independent of the counterparty, including the Investment Manager, or another independent party which is approved for such purpose by the Custodian. Apart from forward foreign currency contracts and futures contracts as at 30 June 2012 and 31 December 2011 the Company did not hold any derivative instruments.

Forward Foreign Currency Contracts

Forward foreign currency contracts shall be valued in the same manner as derivatives contracts which are not traded in a regulated market or by reference to the price at the Valuation Point at which new forward contract of the same size and maturity could be undertaken. The forward foreign currency contracts held by the Company as at 30 June 2012 are included in the Schedule of Investments.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Futures Contracts

A futures contract is an agreement between two parties to buy and sell a security, index or currency at a specific price or rate at a future date. Upon entering into a futures contract, the Company is required to deposit with a broker an amount of cash or cash equivalents equal to a certain percentage of the contract amount. This is known as 'initial cash margin'. Subsequent payments ('variation margin') are made or received by the Company each day, depending upon the daily fluctuation in the value of the contract. The daily changes in contract value are recorded as unrealised gains or losses and the Company recognises a realised gain or loss when the contract is closed. Realised and unrealised gains and losses on futures contracts are recognised in the Profit and Loss Account. As at 30 June 2012 and 30 June 2011 the Company did not hold any futures contracts.

Collective Investment Schemes

Units in collective investment schemes shall be valued at the latest available net asset value per unit or bid price as published by the relevant collective investment scheme or, if listed or traded on a Recognised Exchange, in accordance with listed securities above. As at 30 June 2012 and 30 June 2011 the Company did not hold any units in collective investment schemes.

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 and the Class C 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 Profit and Loss Account as finance costs when paid. As at 30 June 2012 and 30 June 2011 no distributions were paid or payable from the Company.

Foreign Exchange Translation

Functional and Presentation Currency

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

Transactions and Balances

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

Interest Income and Interest Expenses

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

Dividend Income

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Transaction Costs

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

Expenses

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

NOTES TO THE FINANCIAL STATEMENTS

1. Share Capital

Authorised

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

Non-Participating Shares

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

Redeemable Participating Shares

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

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

	Class A Dollar Non-Distributing Class Shares	Class B Dollar Distributing Class Shares	Class C Sterling Distributing Class Shares
At the beginning of the period	290,611	96,894	102,799
Redeemable Participating Shares issued	184,986	29,509	4,002
Redeemable Participating Shares redeemed	(185,889)	(5,304)	(19,370)
At the end of the period	289,708	121,099	87,431
	Class D Singapore Dollar Distributing Class Shares	Class E Singapore Dollar Distributing Class Shares	
At the beginning of the period	126,086	3,423	
Redeemable Participating Shares issued	2,197	–	
Redeemable Participating Shares redeemed	(8,719)	–	
At the end of the period	119,564	3,423	

The movement in the number of redeemable participating shares for the year ended 31 December 2011 is as follows:

	Class A Dollar Non-Distributing Class Shares	Class B Dollar Distributing Class Shares	Class C Sterling Distributing Class Shares
At the beginning of the year	312,806	83,566	9,295
Redeemable Participating Shares issued	29,999	38,299	99,592
Redeemable Participating Shares redeemed	(52,194)	(24,971)	(6,088)
At the end of the year (for financial statement purposes)	290,611	96,894	102,799

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Share Capital (continued)

Redeemable Participating Shares(continued)

The movement in the number of redeemable participating shares for the year ended 31 December 2011 is as follows (continued):

	Class D Singapore Dollar Distributing Class Shares	Class E Singapore Dollar Distributing Class Shares
At the beginning of the year	93,042	–
Redeemable Participating Shares issued	53,023	3,423
Redeemable Participating Shares redeemed	(19,979)	–
At the end of the year (for financial statement purposes)	126,086	3,423

The movement in the number of redeemable participating shares for the six months ended 30 June 2011 is as follows:

	Class A Dollar Non-Distributing Class Shares	Class B Dollar Distributing Class Shares
At the beginning of the period	312,806	83,566
Redeemable Participating Shares issued	13,792	3,315
Redeemable Participating Shares redeemed	(17,336)	(2,741)
At the end of the period	309,262	84,140

	Class C Sterling Distributing Class Shares	Class D Singapore Dollar Distributing Class Shares
At the beginning of the period	9,295	93,042
Redeemable Participating Shares issued	98,859	226
Redeemable Participating Shares redeemed	-	(2,697)
At the end of the period	108,154	90,571

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

2. Investment Management Fees

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

The Investment Manager receives from the Company a fee in relation to the Fund of 1.50% per annum of the NAV of the Fund together with Value Added Tax (“VAT”), if any on such fee for all share classes with the exception of the Class E Singapore Dollar Distributing Class which does not charge a management fee. Fees payable to the Investment Manager shall be accrued at each Valuation Point and shall be payable monthly in arrears. The Company shall bear the cost of any VAT applicable to any fees or other amounts payable to or by such nominee in the performance of their respective duties.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Investment Management Fees (continued)

The Investment Manager earned a fee of USD 583,251 during the period ended 30 June 2012 (USD 587,766: 30 June 2011), of which USD 90,947 is outstanding at the period end (USD 94,937: 31 December 2011).

Performance fee and equalization

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

There is no Performance Fee outstanding at the period ended 30 June 2012 (USD Nil: 30 December 2011).

The Investment Manager will also be entitled to receive a performance fee (the "Performance Fee") out of the assets of the Fund as set forth below. The Performance Fee will be calculated in respect of each calendar quarter (a "Calculation Period").

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 Fee. The Performance Fee will normally be payable to the Investment Manager in arrears within 14 days of the end of each Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will be payable within 14 days after the date of redemption.

If the Investment Management Agreement is terminated during a Calculation Period, the Performance Fee in respect of the current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period. The Performance Fee will be calculated on a Share-by-Share basis so that each Share is charged a Performance Fee which equates precisely with that Share's performance.

3. Administration Fees

The Company pays Brown Brothers Harriman Fund Administration Services (Ireland) Limited (the "Administrator") in the amount of 0.04% of the NAV of the Company if the NAV is less than USD200,000,000, 0.03% of the NAV of the Company if the NAV is between USD200,000,000 and USD400,000,000, and 0.02% of the NAV of the Company if the NAV is greater than USD400,000,000 (plus VAT, if any), subject to a minimum monthly charge of USD4,000. The minimum monthly charge increased to USD7,335 applicable for the period from 1 June 2012 to 30 November 2013, following which it will return to USD4,000. The Administrator is also entitled to receive registration fees and transaction and reporting charges at normal commercial rates which shall accrue daily and be paid monthly in arrears.

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

The Administrator earned a fee of USD 32,948 during the period ended 30 June 2012 (USD 46,698: 30 June 2011), of which USD 319 is outstanding at the period end (USD 39,126: 31 December 2011).

4. Custodian Fees

The Company pays Brown Brothers Harriman Fund Administration Services (Ireland) Limited (the "Custodian") the Custodian a trustee fee of 0.02% of the NAV of the Fund. The Custodian also receives a custody fee ranging from 0.01% to 0.06% of the NAV of the investments that the each fund makes in each relevant market. The Custodian fees are payable monthly in arrears, subject to a minimum charge of USD12,000 per Fund per annum.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Custodian Fees (continued)

The Custodian earned a refund of USD28,018 during the period ended 30 June 2012 (USD 40,846: 30 June 2011), USD2,077 of which is a credit due at the period end (USD 24,254: 31 December 2011).

The Trustee earned a fee of USD7,804 during the period ended 30 June 2012 (USD Nil: 30 June2011), USD 8,023 of which is outstanding at the period end (USD Nil: 31 December 2011).

5. Directors' Fees

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

The Directors earned aggregate fees of USD 24,218 during the period ended 30 June 2012 (USD 33,532: 30 June 2011), of which USD 19,919 is outstanding at the period end (USD 4,360: 31 December 2011).

6. Related Parties

Directors

Heather Manners is Chief Investment Officer of the Investment Manager and has waived her fees for the period ended 30 June 2012.

Anthony Morris is Chief Operating Officer and Head of Trading of the Investment Manager and has waived his fees for the period ended 30 June 2012.

David Hammond is a Director of Bridge Consulting, a financial services consultancy and business advisory firm which provided services relating to the Company's governance requirements under the UCITS Regulations. Bridge Consulting earned a fee of USD19,733 for the period ended 30 June 2012 (USD 17,257: 30 June 2011), none of which is outstanding at the period end (USD Nil: 31 December 2011).

The following Directors and related parties held Shares in the Company as at 30 June 2012:

Related Party	Shares held	Share Class
Heather Manners (Director & Partner of the Investment Manager)	2,950	Class D SGD\$ Distributing Class
Prusik Investment Management Singapore Private Limited	88	Class E SGD\$ Distributing Class
Thomas Naughton (Partner of the Investment Manager)	2,731	Class E SGD\$ Distributing Class

The following Directors and related parties held Shares in the Company as at 31 December 2011:

Related Party	Shares held	Share Class
Heather Manners (Director & Partner of the Investment Manager)	2,950	Class D SGD\$ Distributing Class
Tony Morris (Partner of the Investment Manager)	254	Class E SGD\$ Distributing Class
Richard Hayes (Director)	830	Class A USD\$ Non-Distributing Class
Prusik Investment Management Singapore PTE Ltd.	350	Class E SGD\$ Distributing Class
Prusik Investment Management Singapore Private Limited	88	Class E SGD\$ Distributing Class
Thomas Naughton (Partner of the Investment Manager)	2,731	Class E SGD\$ Distributing Class

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Taxation

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

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

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

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

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

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

8. Soft Commission Agreements

During the period ended 30 June 2012, the Investment Manager entered into soft commission arrangements with brokers/dealers in respect of which certain goods and services used to support the investment decision process were received. The Investment Manager does not make direct payment for these services but does transact an agreed amount of business with the brokers on behalf of the Company and commission is paid on these transactions.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Exchange Rates

The following exchange rates have been used to translate assets and liabilities in currencies other than USD as at 30 June 2012 and 31 December 2011:

	30 June 2012	31 December 2011
Australian Dollar	0.9840	1.0167
Euro	0.7951	0.7730
Hong Kong Dollar	7.7561	7.7676
Korean Won	1,145.26000	1,151.70000
Malaysian Ringgit	3.17550000	3.1700
Philippine Peso	42.07000000	43.8400
Pound Sterling	0.6419	0.6478
Singapore Dollar	1.2702	1.2968
Taiwan Dollar	29.8550	30.2682
Thai Baht	31.7600	31.5600

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 reporting purposes are required by FRS 26, (Financial Instruments: recognition and measurement) to be valued based on last bid prices at the valuation point. The difference between the two valuation methods may result in a difference between the NAV per Share shown in the financial statements and the NAV per Share at which Redeemable Participating Shares are issued and redeemed.

As at 30 June 2012, USD60,000 preliminary expenses were written off in full in the Profit and Loss Account in accordance with Irish Generally Accepted Accounting Principles. However, in accordance with the Prospectus dated 11 January 2011, the NAV reported each month reflects these preliminary expenses written off over a period of sixty months.

In the current period an adjustment to the carrying amount of the Net Assets attributable to holders of Redeemable Participating Shares (for Shareholder dealing purposes) of USD403,714 (USD271,422: 31 December 2011) has been reflected in accordance with FRS 26 to reflect the bid price at the valuation point.

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

Net Asset Value reconciliation	30 June 2012
	USD
Net Asset attributable to holders of redeemable participating shares(for shareholder dealing purposes)	81,987,059
Adjustment for bid and offer pricing	(403,714)
Adjustment in relation to unamortised preliminary expenses	(23,958)
Net Asset attributable to holders of redeemable participating shares (for financial reporting purposes)	<u>81,559,387</u>

Net Assets and NAV per share for dealing purposes	30 June 2012	30 June 2012
	Net Assets	NAV per Share
Class A Dollar Non-Distributing Class	USD 38,763,917.42	USD 133.80
Class B Dollar Distributing Class	USD 16,219,512.23	USD 133.94
Class C Sterling Distributing Class	GBP 6,078,481	GBP 69.52
Class D Singapore Dollar Distributing Class	SGD 21,913,153.87	SGD 183.28
Class E Singapore Dollar Distributing Class	SGD 358,678.02	SGD 104.79

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Net Asset Comparison (continued)

As at 31 December 2011, the difference between the NAV for financial reporting purposes as required by FRS 26 and the NAV at which Redeemable Participating Shares are issued and redeemed is detailed in the table below.

Net Asset Value reconciliation	31 December 2011 USD
Net Asset attributable to holders of redeemable participating shares (for shareholder dealing purposes)	71,265,943
Adjustment for bid and offer pricing	(271,422)
Net Asset attributable to holders of redeemable participating shares (for financial reporting purposes)	<u>70,994,521</u>

Net Assets and NAV per share for dealing purposes	31 December 2011 Net Assets		31 December 2011 NAV per Share	
Class A Dollar Non-Distributing Class	USD	34,172,810	USD	117.60
Class B Dollar Distributing Class	USD	11,406,332	USD	117.72
Class C Sterling Distributing Class	GBP	9,719,146	GBP	94.55
Class D Singapore Dollar Distributing Class	SGD	15,719,964	SGD	124.67
Class E Singapore Dollar Distributing Class	SGD	244,668	SGD	71.48

11. Comparatives

The comparative figures are for the period for the six months ended 30 June 2011 for the Condensed Profit and Loss account and as at 31 December 2011 for the Condensed Balance Sheet.

12. Significant Events during the Period

With effect from 1 January 2012, Citi Fund Services (Ireland), Limited was replaced as administrator of the Company by Brown Brothers Harriman Fund Administration Services (Ireland) Limited.

13. Events since the Period End

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

14. Approval of Financial Statements

The report and audited financial statements were approved by the Directors on 23 August 2012.

STATEMENT OF CHANGES IN THE COMPOSITION OF PORTFOLIO

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

Major Sales for the period ended 30 June 2012

Security Description	Acquisitions Nominal	Cost USD
CEBU Air, Inc.	1,400,000	2,200,790
LPN Development PCL	4,800,000	2,198,425
Airports of Thailand PCL	1,350,000	2,179,707
Security Bank Corp.	810,000	2,111,482
Military Commercial Joint Stock Bank	2,950,000	2,026,032
Zhaojin Mining Industry Co. Ltd.	1,600,000	1,976,089
Digital China Holdings Ltd.	1,000,000	1,817,746
Kolao Holdings	160,000	1,695,374
JCY International Bhd.	3,400,000	1,691,770
JU Teng International Holdings Ltd.	6,300,000	1,645,024
International Container Terminal Services, Inc.	1,120,000	1,627,883
Energy Development Corp.	12,500,000	1,611,703
Lian Beng Group Ltd.	5,000,000	1,602,871
Kim Long Securities Corp.	2,500,000	1,573,493
Midland Holdings Ltd.	2,400,000	1,560,104
Garuda Indonesia Tbk PT	24,000,000	1,552,576
Thai Tap Water Supply PCL	7,948,700	1,526,681
Ta Ann Holdings Bhd.	753,700	1,458,555
Sinotruk Hong Kong Ltd.	1,780,000	1,217,485
Refrigeration Electrical Engineering Corp.	1,800,000	1,211,613
Anton Oilfield Services	9,000,000	1,193,270
Robinsons Land Corp.	3,500,000	1,132,129
Com2Us Corp	51,000	1,101,430
Jasa Marga Persero Tbk PT	2,300,000	1,085,699
Tianneng Power International Ltd.	2,000,000	1,080,275
TSH Resources Bhd.	1,330,000	1,059,900
HAGL JSC	1,000,000	1,046,878
Hoa Phat Group JSC	860,000	978,561
Vista Land & Lifescapes, Inc.	10,000,000	881,280
Daum Communication Corp.	10,000	859,828
Petrovietnam Drilling & Well Services JSC	460,000	859,220
YGM Trading Ltd.	275,000	852,569
SNC Former PCL	857,000	838,148
Citiseconline.com, Inc.	1,600,000	831,758
LDT Inc.	130,000	829,651
Pepsi-Cola Products Philippines, Inc.	10,200,000	678,770

STATEMENT OF CHANGES IN THE COMPOSITION OF PORTFOLIO (CONTINUED)

Major Purchases for the period ended 30 June 2012

Security Description	Disposals Nominal	Proceeds USD
KPJ Healthcare Bhd.	1,750,000	3,082,845
Bangkok Dusit Medical Services PCL	1,200,000	2,891,544
Manila Water Co. Inc.	4,100,000	2,401,706
Yoma Strategic Holdings Ltd.	5,000,000	1,962,701
Parkway Life Real Estate Investment Trust	1,305,000	1,877,170
CLSA Financial Products Ltd.	36,000	1,705,146
JU Teng International Holdings	6,300,000	1,689,752
China Everbright Ltd.	1,000,000	1,516,615
GOME Electrical Appliances Holding Ltd.	7,000,000	1,501,539
Garuda Indonesia Tbk PT	24,000,000	1,452,423
Midland Holdings Ltd.	2,400,000	1,261,134
Security Bank Corp.	425,000	1,244,792
PChome Online Inc.	222,000	1,179,134
China All Access Holdings Ltd.	5,400,000	1,165,487
Anton Oilfield Services	9,000,000	1,123,844
CEBU Air, Inc.	700,000	1,055,791
Lumax International Corp.	567,000	1,044,425
Sinotruk Hong Kong Ltd.	1,780,000	1,043,627
Mesoblast Ltd.	130,000	1,026,204
Charm Communications Inc.	90,000	822,626
Alliance Financial Group Bhd.	650,000	805,729
LDT Inc.	130,000	796,600
UBS AG	440,000	723,848
SNC Former PCL	857,000	664,140
Robinsons Land Corp.	1,500,000	563,921

MANAGEMENT AND ADMINISTRATION

BOARD OF DIRECTORS

David Hammond* (Irish)
Heather Manners (British)
Anthony Morris (British)
Richard Hayes* (Irish)
All the directors are non-executive
directors.

*Independent of the Investment Manager

**PROMOTOR, INVESTMENT MANAGER
AND DISTRIBUTOR**

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