

PRUSIK ASIAN SMALLER COMPANIES FUND PLC

(An open-ended investment company with variable capital incorporated with limited liability and established as a UCITS under the law of Ireland)

**Annual Report and Audited Financial Statements
For the Year Ended 31 December 2014**

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GENERAL INFORMATION

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 2013 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 (as amended) (the “UCITS Regulations”).

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

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

The Company commenced trading on 8 February 2008. There are six share classes available to investors 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 Distributing Class (first issued on 21 September 2011)
- Class U Sterling (Unhedged) Distributing Class (first issued on 1 July 2013)

Brown Brothers Harriman Fund Administration Services (Ireland) Limited (the “Administrator”) determines the Net Asset Value (“NAV”) per Share of each Class of the Company every 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 24 December 2014.

Investment Objective

The investment objective of the Company is to engineer capital growth primarily by investing in companies operating in the Asian 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 (BB- or higher) or non-investment grade).

GENERAL INFORMATION (CONTINUED)

Investment Objective (continued)

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.

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

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

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

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

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

DIRECTORS' REPORT

The Directors have pleasure in submitting their annual report together with the audited financial statements for Prusik Asian Smaller Companies Fund plc (the "Company") for the year ended 31 December 2014.

Directors' Responsibility Statement

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

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

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

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company, and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland, and comply with the Irish Companies Acts, 1963 to 2013 (the "Companies Acts") and the UCITS Regulations. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Books of Accounts

To ensure that proper books of account are maintained in accordance with Section 202 of the Companies Acts 1990, the Directors of the Company have employed the Administrator to do so. The Company's books of account are maintained at the offices of the Administrator, whose address is 30 Herbert Street, Dublin 2, Ireland.

Directors

The names of the persons who were Directors at any time during the year to 31 December 2014 are set out below.

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

Directors' and Secretary's Interests

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

Heather Manners	5,280 Class E Singapore Dollar Distributing Class
Richard Hayes	2,753 Class E Singapore Dollar Distributing Class
Anthony Morris	2,147 Class E Singapore Dollar Distributing Class

Other than those disclosed above, none of the Directors, the Secretary, nor their families hold or held any beneficial interests in the Company at 31 December 2014 or during the year then ended.

DIRECTORS' REPORT (CONTINUED)

Connected Parties

In accordance with the Central Bank's UCITS Notice 14, any transaction carried out with the Company by the Promoter, the Investment Manager, the Custodian, the Investment Adviser and/or associated or group companies of these entities ("connected parties") must be carried out as if negotiated at arm's length. Such transactions must be in the best interest of the shareholders of the Company.

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

Results, Activities and Future Developments

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

Details of the state of affairs of the Company and results for the year ended 31 December 2014 are set out on pages 16 to 18. The Net Assets Attributable to Holders of Redeemable Participating Shares (for financial statement purposes) as at 31 December 2014 was US Dollar ("USD") 167,056,599 (USD 184,873,326: 31 December 2013).

The Company will continue to pursue its objectives as set out in detail in the Prospectus.

Dividend and Distributions

The Directors have discretion from time to time to declare such distributions as may appear to them to be justified out of the net income accruing to the Fund in respect of each class of Shares of the Fund. The Fund has been granted reporting fund status by Her Majesty's Revenue and Customs ("HMRC"). There were no distributions paid during the year ended 31 December 2014 (USD Nil: 31 December 2013).

Risk Management

The risks defined by Financial Reporting Standard FRS 29 "Financial Instruments: Disclosures" ("FRS 29"), arising from the Company's financial instruments are market risk (including market price risk, currency risk and interest rate risk), credit risk and liquidity risk. Details of these risks which are different from those listed in the Prospectus, and how they are monitored, and where possible, managed by the Company, are set out in Note 14 "Financial Risk Management" on pages 33 to 38.

Independent Auditors

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

Events during the Year

A new Prospectus was noted by the Central Bank on 17 February 2014 to incorporate changes to administration and custody fees. Another Prospectus was noted by the Central Bank on 24 December 2014 to incorporate changes in the trading policy.

Events since the Year End

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

Corporate Governance Statement

The Company is subject to and complies with Irish statute comprising the Companies Acts, 1963 to 2013, the UCITS Regulations as applicable to investment funds. The Board of Directors (the "Board") voluntarily adopted the Corporate Governance Code for Irish Domiciled Collective Investment Schemes as published by the Irish Funds Industry Association (the "IFIA Code") which came into effect on 1 January 2012. The Board has assessed the measures included in the IFIA Code as being consistent with its corporate governance practices and procedures for the financial year and there are no exceptions to be noted. Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

Financial Reporting Process - Description of Main Features

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

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

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

Risk Assessment

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

Control Activities

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

Information and Communication

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

Monitoring

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

Capital Structure

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

There are no restrictions on voting rights.

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

Powers of the Directors

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, Irish statute comprising the Companies Acts, 1963 to 2013 and the UCITS Regulations as applicable to investment funds. The Articles of Association themselves may be amended by special resolution of the Shareholders.

The Board is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to the Investment Manager and other parties, subject to the supervision and direction by the Directors. The Directors have delegated the day-to-day administration of the Company and the investment management and distribution functions to the Investment Manager, which has in turn delegated these functions to the Administrator and Investment Adviser, respectively. Consequently none of the Directors is an Executive Director.

Shareholder Meetings

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

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

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

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

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

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

Composition and Operation of Board and Committees

There are currently three Directors and one alternate Director, all of whom are Non-Executive Directors and two of whom are independent of the Investment Manager. The Board meets at least quarterly. There are no sub-committees of the Board.

On behalf of the Board of Directors

Director

27 April 2015

Director

INVESTMENT MANAGER'S REPORT

In 2014, the Prusik Asian Smaller Companies Fund generated a negative return of 3.5% versus a positive return for the MXAPJ index of 3.5%.

Unsurprisingly, we feel that 2014 was a poor year of absolute and relative performance for the Fund, especially as we identified and invested in many themes which did well during the year, most notably the leisure and tourism trend, which continues both to perform at stock level and generate anomalously high growth numbers in terms of tourist arrivals and bookings in Asia. We also had some particularly strong individual stock performers during the year, such as Indian tyre manufacturer, Ceat Ltd, ASEAN focused financial software provider, Silverlake Axis Ltd, and Korean leisure and tourism play, Hanjin Kal Corp.

The first half of 2014 was probably one of the more macro-driven periods we have seen in a while, with the major stock market performers being India (driven by the landslide victory for reformist Modi in the elections) and ASEAN, in particular from Thailand, despite considerable political upheaval and a coup, and the Philippines.

The Fund saw a very good start to the year on a relative basis, with the Fund roughly flat in January, whilst the index lost 5.1%. However, this reversed somewhat in February and March owing to weakness amongst a number of our holdings in China and Hong Kong and small cap technology stocks in particular. The upshot for the Fund was that it saw a return of 1.1% for the first quarter, marginally ahead of the index.

The second quarter was disappointing with the Fund returning 0.5% whilst the index rose 6.3%. The main drags to performance were Freelancer Ltd, an Australian online auction platform for freelance work, which suffered in line with a broader correction in internet companies, and Donaco International Ltd, the Vietnamese casino company catering to Chinese gamblers, which partook in the wider capitulation in Macau casino stocks. Vietnam also sold off, driven by a geopolitical spat with China, which has since been resolved.

Over the third quarter the Fund was up 1.75%, which compared well with the 3.1% fall for the MXAPJ index. The major outperformance came in September when the Fund rose slightly whilst the index fell 7.2%. This was driven by our holdings in India, Taiwan and Thailand.

Regrettably, in the final quarter of 2014 the Fund gave back the outperformance gained in the third quarter. The major reason was that our higher weighting in North Asia, especially Korea, China and Vietnam, did not serve us well. Over the final quarter, the Korean and Vietnam indexes were significantly weaker. In addition, performance was especially disappointing from our oil services company, Ezion Holdings Ltd, in reaction to the weak oil price.

Overall, we feel that the major reason we did not make better headway in 2014 was the larger than normal number of companies which fell foul to negative sector sentiment rather than company specific problems. As mentioned above, Ezion Holdings Ltd suffered as a result of the plunging oil price, as did Hilong Holdings Ltd, another of our oil services companies in China. Again, as touched on, Donaco International Ltd was impacted by the sell-off in Macau casino companies, something which was also true of Paradise Entertainment, a vendor of automated gaming tables. Finally, Freelancer Ltd disappointed in line with Asian internet stocks more broadly, but unlike the larger cap names, failed to stage a recovery later in the year. These 5 stocks were amongst the biggest detractors to performance in 2014 and they all tell a similar story of sector sentiment rather than company fundamentals being the challenge.

The second major reason the Fund did not do better in 2014 was due to our decision to maintain a lower weighting in ASEAN in favour of North Asia. Although ASEAN represents a small portion of the index and so lower ASEAN exposure does not completely explain the relative underperformance, it is plain that the Fund would have benefitted from being more deeply invested in ASEAN last year. The prime reasons for not buying back ASEAN were not only that North Asia contained many themes we liked (China internet, "Internet of Things," car tech and reform) but also because valuations were much more attractive there compared to South East Asia.

We did, however, keep our exposure in Vietnam, which ended the year in solid positive territory, despite the weaker fourth quarter. We are pleased to say that Vietnam was one of the Fund's key contributors to performance in 2014

INVESTMENT MANAGER'S REPORT (CONTINUED)

and we believe the market is set for another couple of very good years from here. Indeed, we have been taking advantage of the recent correction by increasing the Fund's exposure to Vietnam.

India was also a very strong performer in 2014 with the Sensex up 32% over the course of the year. The Fund benefitted from increasing our weighting here early in the year and then adding to our weighting again in the third quarter. Indeed, India was the top contributor to performance for the Fund in 2014. We have recently visited India and still believe this market represents a very attractive long term structural growth story.

Portfolio positioning for 2015 and rectifying mistakes in 2014

Since the start of 2015 we have travelled extensively in Asia, visiting companies in the Philippines, Indonesia, Vietnam and Singapore. This is a deliberate process, partly driven by the desire to see as many of our existing holdings and partly so that we can ensure that we are correctly positioned in 2015. During this time we uncovered a substantial number of new potential investments, some of which we have since invested in. These changes form the first phase of an ongoing re-allocation process for the Fund.

It is always a delicate balance to reposition correctly after what feels like a bit of an *annus horribilis* at stock level. As such, we have decided to place even greater emphasis than normal on company visits. We know what it feels like to get things right and we believe company visits are the surest way to getting the right mixture of good current ideas, the right themes and high conviction.

Our overarching stance is that we like those countries where we can see interest rates falling and where we can also see our thematic ideas supported by good companies. This leads us ever more to Vietnam, India and more recently Indonesia, all of which we have been adding to since returning from Asia. Once we have completed this reallocation process we expect to have a significant portion of the portfolio in these three countries. We expect the restructuring process to yield a one-off turnover of about 25%. In addition, the number of holdings is likely to fall towards 40 stocks with a 4% weighting in our key conviction ideas.

We have also begun to invest in a new theme which is a combination of property/industrial parks and construction/infrastructure as we expect a new property cycle is likely to emerge as interest rates fall. In stark contrast to the conventional consumer staple companies, many companies in this sector are not expensive, whilst some also pay good dividends.

Other themes which will make up the significant portion of the Fund are "tech clothing," travel and leisure, the "financialisation" of Asia, internet, ecommerce, sensors, the "Internet of Things," software and local brands.

General Outlook

We are optimistic on the outlook for Asia in 2015. Admittedly, given the recent strength of the US dollar and the old adage that Asia does badly when the US dollar is strong, our positivity may seem counter intuitive. Indeed, since the New Year, the US dollar has broken above the key resistance level of 90 on the US dollar index, suggesting further strengthening this year. However, in the current global macro context we believe the dictum that US dollar strength equals Asian markets weakness is unlikely to hold true.

There are two reasons for why we think a strong dollar for once does not bode ill for Asian stock markets. Firstly, we think the likelihood of interest rate rises in the US in the near term is very low. Janet Yellen has clearly stated that she is watching both inflation and wage growth in the US as the key inputs to decide if rate rises are necessary. Importantly, recent data points relating to both inflation and wage growth reveal no evidence of overheating. In December 2014, CPI in the US declined to a 10 month low, whilst wages showed the slowest growth rate since December 2012. Moreover, a strong dollar works in itself as a form of tightening. With interest rate rises in the US in the near term looking unlikely, in theory this should reduce the impetus for further dollar strengthening and in turn reduce the risks to the Asian stock markets.

INVESTMENT MANAGER'S REPORT (CONTINUED)

The second reason why we think the received wisdom regarding dollar strength and Asian markets looks questionable now is that we believe many countries in Asia will be able to cut interest rates from here. Owing to steep falls in inflation, China, India and now Indonesia have recently already started to cut rates, whilst Thailand and Korea are likely to follow suit. We expect the rate cuts which have been initiated to continue. Lower interest rates should provide a boost to the respective economies in Asia and in turn their businesses and stock markets.

Overall, we believe these dynamics are extremely positive for Asia.

Finally, we are evermore seeing a high dispersion of returns in Asia which leads us to remain very optimistic for our process of thematic investing. We are excited about the themes we have identified and some of our newer positions are already doing well and feel confident that macro economic backdrop in Asia should provide a supportive environment for Asian equities in general.

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

Prusik Investment Management LLP
27 April 2015

REPORT OF THE CUSTODIAN TO THE SHAREHOLDERS

We have enquired into the conduct of Prusik Asian Smaller Companies Fund plc (the “Company”) for the year ended 31 December 2014, in our capacity as Custodian to the Company.

This report including the opinion has been prepared for, and solely for, the shareholders in the Company, in accordance with the Central Bank of Ireland’s UCITS Notice 4 (as amended), and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Custodian

Our duties and responsibilities are outlined in the Central Bank of Ireland’s UCITS Notice 4 (as amended). One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company’s Memorandum and Articles of Association and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, (the “UCITS Regulations”). It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Custodian Opinion

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in UCITS Notice 4 (as amended) and to ensure that, in all material respects, the Company has been managed:

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

Opinion

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

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum and Articles of Association and by the UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association and the UCITS Regulations.

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

27 April 2015

INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of Prusik Asian Smaller Companies Fund plc (the "Company") for the year ended 31 December 2014 which comprise the Balance Sheet, Profit and Loss Account and Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is the Companies Acts 1963 to 2013, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the Company's members, as a body, in accordance with section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended).

Matters on which we are required to report by the Companies Acts 1963 to 2013

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Gareth Harman
Partner

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

27 April 2015

SCHEDULE OF INVESTMENTS

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock - 97.62% (31 December 2013: 97.01%)					
Australia - 1.54% (31 December 2013: 1.95%)					
	4,300,000	Donaco International Ltd.	3,991,070	2,573,666	1.54%
			3,991,070	2,573,666	1.54%
China - 19.84% (31 December 2013: 23.09%)					
	8,200,000	Beijing Urban Construction Design & Development Group Co. Ltd.	4,521,497	3,849,095	2.30%
	388,000	Bona Film Group Ltd.	2,475,533	2,704,360	1.62%
	6,500,000	Dynagreen Environmental Protection Group Co. Ltd.	3,308,786	3,855,801	2.31%
	31,474,732	GOME Electrical Appliances Holding Ltd.	3,910,572	4,667,704	2.79%
	11,500,000	Haichang Holdings Ltd.	2,161,801	1,913,070	1.15%
	5,495,000	Hainan Meilan International Airport Co. Ltd.	5,652,268	4,506,799	2.70%
	160,000	Perfect World Co. Ltd.	2,909,173	2,544,000	1.52%
	3,240,000	Sound Global Ltd.	3,722,853	3,768,729	2.26%
	3,100,000	Sunny Optical Technology Group Co. Ltd.	3,957,106	5,332,869	3.19%
			32,619,589	33,142,427	19.84%
Hong Kong - 8.22% (31 December 2013: 15.40%)					
	2,700,000	Shenzhen International Holdings Ltd.	3,284,152	3,934,464	2.36%
	26,500,000	Tongda Group Holdings Ltd.	3,546,349	3,109,787	1.86%
	7,200,000	Wasion Group Holdings Ltd.	5,299,726	6,675,823	4.00%
			12,130,227	13,720,074	8.22%
India - 13.14% (31 December 2013: 2.55%)					
	290,000	Ceat Ltd.	2,530,718	3,953,115	2.37%
	29,316	CMC Ltd.	992,975	897,790	0.54%
	130,000	Credit Analysis & Research Ltd.	3,229,864	3,051,646	1.83%
	72,000	Just Dial Ltd.	1,949,527	1,543,513	0.92%
	200,000	Kaveri Seed Co. Ltd.	2,649,072	2,439,701	1.46%
	245,000	Persistent Systems Ltd.	4,485,250	6,443,027	3.86%
	325,000	PVR Ltd.	1,818,525	3,599,984	2.16%
			17,655,931	21,928,776	13.14%
Indonesia - 0.92% (31 December 2013: 2.45%)					
	17,500,000	Erajaya Swasembada Tbk PT	1,773,121	1,533,105	0.92%
			1,773,121	1,533,105	0.92%
Malaysia - 2.81% (31 December 2013: 7.50%)					
	6,321,000	7-Eleven Malaysia Holdings Bhd.	3,713,324	2,711,712	1.62%
	637,300	Syarikat Takaful Malaysia Bhd.	1,248,167	1,986,721	1.19%
			4,961,491	4,698,433	2.81%
Philippines - 6.85% (31 December 2013: 6.36%)					
	580,000	International Container Terminal Services, Inc.	863,254	1,479,116	0.89%
	1,189,825	Philippine Seven Corp.	1,092,572	2,243,200	1.34%
	78,000,000	Premium Leisure Corp.	2,886,314	3,689,424	2.21%
	36,064,000	RFM Corp.	3,737,441	4,031,250	2.41%
			8,579,581	11,442,990	6.85%

SCHEDULE OF INVESTMENTS (CONTINUED)

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock - 97.62% (31 December 2013: 97.01%) (continued)					
Singapore - 7.46% (31 December 2013: 3.74%)					
	3,960,000	Ezion Holdings Ltd.	4,499,195	3,356,059	2.01%
	1,535,000	iFAST Corp. Ltd.	1,220,271	1,266,051	0.76%
	4,600,000	Silverlake Axis Ltd.	3,053,790	4,350,952	2.60%
	7,000,000	Yoma Strategic Holdings Ltd.	3,750,658	3,495,895	2.09%
			12,523,914	12,468,957	7.46%
South Korea - 10.60% (31 December 2013: 10.53%)					
	1,395,000	Dae Hyun Co. Ltd.	4,960,051	3,659,517	2.19%
	173,000	Hanjin Kal Corp.	3,141,374	4,872,142	2.92%
	455,000	Interpark Corp.	3,496,442	3,846,295	2.30%
	92,000	i-SENS, Inc.	4,582,815	5,334,093	3.19%
			16,180,682	17,712,047	10.60%
Sri Lanka - 0.68% (31 December 2013: 1.43%)					
	710,000	Distilleries Co. of Sri Lanka PLC	1,091,496	1,139,139	0.68%
			1,091,496	1,139,139	0.68%
Taiwan - 5.72% (31 December 2013: 9.79%)					
	500,000	eMemory Technology, Inc.	4,616,395	5,828,463	3.49%
	1,450,000	Sitronix Technology Corp.	2,610,858	3,728,637	2.23%
			7,227,253	9,557,100	5.72%
Thailand - 7.68% (31 December 2013: 5.09%)					
	3,250,000	Asia Sermkij Leasing PCL	1,933,042	1,858,273	1.11%
	2,910,000	Beauty Community PCL	2,147,605	2,964,872	1.77%
	4,600,000	Major Cineplex Group PCL	3,620,576	3,847,324	2.30%
	3,500,000	Samart Corp. PCL	3,641,140	4,178,072	2.50%
			11,342,363	12,848,541	7.68%
United States - 2.86% (31 December 2013: 0.85%)					
	5,600,000	Nexteer Automotive Group Ltd.	3,883,839	4,780,677	2.86%
			3,883,839	4,780,677	2.86%
Vietnam - 9.30% (31 December 2013: 6.28%)					
	720,000	Danang Rubber JSC	812,967	1,868,381	1.12%
	2,600,000	Dat Xanh Real Estate Service & Construction JSC	1,969,894	1,677,615	1.00%
	825,000	FECON Foundation Engineering and Underground Construction JSC	1,007,171	794,623	0.48%
	1,000,000	FPT Corp.	1,739,231	2,239,626	1.34%
	1,518,000	HAGL JSC	1,156,794	1,561,473	0.93%
	1,420,000	Hoa Sen Group	1,832,751	3,120,514	1.87%
	508,967	Military Commercial Joint Stock Bank	324,206	309,366	0.19%
	1,800,000	Refrigeration Electrical Engineering Corp.	1,211,613	2,356,517	1.41%

SCHEDULE OF INVESTMENTS (CONTINUED)

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock - 97.62% (31 December 2013: 97.01%) (continued)					
Vietnam - 9.30% (31 December 2013: 6.28%) (continued)					
	806,400	Southern Rubber Industry JSC	914,026	1,606,202	0.96%
			10,968,653	15,534,317	9.30%
		Total Common Stock	144,929,210	163,080,249	97.62%
		Total Fair Value of Investments	144,929,210	163,080,249	97.62%

Forward Foreign Currency Contracts - (0.62%) (31 December 2013: (0.28%))

Currency Bought	Amount Bought	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss)	% of Net Assets
GBP	8,349,062	USD	(13,133,075)	24/02/2015	Brown Brothers Harriman	(119,913)	(0.07%)
SGD	84,220,011	USD	(64,590,851)	24/02/2015	Brown Brothers Harriman	(912,420)	(0.55%)
Total unrealised losses on Forward Foreign Currency Contracts						(1,032,333)	(0.62%)
Total Financial Liabilities at Fair Value through Profit or Loss						(1,032,333)	(0.62%)

	Value USD	% of Net Assets
Cash	5,890,222	3.53%
Other Net Liabilities	(881,539)	(0.53%)
Net Assets Attributable to Holders of Redeemable Participating Shares	167,056,599	100.00%

BALANCE SHEET

	Notes	As at 31 December 2014 USD	As at 31 December 2013 USD
Assets			
Financial assets, at cost		144,929,210	153,602,695
Financial assets at fair value through profit or loss			
- Transferable securities		163,080,249	179,339,599
- Financial derivative instruments		–	424,006
Cash	9	5,892,393	14,366,583
Margin cash due from broker		327	327
Dividends receivable		63,776	97,633
Subscriptions receivable		273,221	24,812
Other assets		1,740	12,640
Total assets		169,311,706	194,265,600
Liabilities			
Financial liabilities at fair value through profit or loss			
- Financial derivative instruments		1,032,333	949,763
Bank overdraft		2,171	11,338
Payable for investments purchased		308,481	4,971,569
Redemptions payable		–	2,300,746
Investment management fees	3	222,540	238,289
Administration fees	4	25,108	30,715
Custody fees	5	36,362	45,500
Directors' fees	6	12,184	3,606
Audit fees	7	7,293	31,734
Performance fees	3	27,104	734,842
Professional fees		44,172	53,469
Other liabilities		537,359	20,703
Total liabilities		2,255,107	9,392,274
Net Assets Attributable to Holders of Redeemable Participating Shares (for financial statement purposes)		167,056,599	184,873,326

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

BALANCE SHEET (CONTINUED)

	Notes	As at 31 December 2014	As at 31 December 2013
Class A Dollar Non-Distributing Class			
Net Assets (for financial statement purposes)	2	USD 70,108,303	USD 71,628,268
Outstanding Redeemable Participating Shares	1,2	440,944	434,878
Net Asset Value per Share	2	USD 159.00	USD 164.71
Class B Dollar Distributing Class			
Net Assets (for financial statement purposes)	2	USD 12,604,846	USD 17,773,259
Outstanding Redeemable Participating Shares	1,2	79,206	107,810
Net Asset Value per Share	2	USD 159.14	USD 164.86
Class C Sterling Distributing Class			
Net Assets (for financial statement purposes)	2	GBP 8,716,474	GBP 7,409,694
Outstanding Redeemable Participating Shares	1,2	104,743	86,380
Net Asset Value per Share	2	GBP 83.22	GBP 85.78
Class D Singapore Dollar Distributing Class			
Net Assets (for financial statement purposes)	2	SGD 87,718,968	SGD 98,141,656
Outstanding Redeemable Participating Shares	1,2	400,858	433,226
Net Asset Value per Share	2	SGD 218.83	SGD 226.54
Class E Singapore Dollar Distributing Class			
Net Assets (for financial statement purposes)	2	SGD 1,823,507	SGD 1,781,148
Outstanding Redeemable Participating Shares	1,2	13,179	13,179
Net Asset Value per Share	2	SGD 138.36	SGD 135.15
Class U Sterling (Unhedged) Distributing Class			
Net Assets (for financial statement purposes)	2	GBP 1,921,848	GBP 2,550,003
Outstanding Redeemable Participating Shares	1,2	20,623	27,959
Net Asset Value per Share	2	GBP 93.19	GBP 91.20

For and on behalf of the Board of Directors of Prusik Asian Smaller Companies Fund plc

Director
 27 April 2015

Director

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

PROFIT AND LOSS

		For the year ended 31 December 2014	For the year ended 31 December 2013
	Notes	USD	USD
Investment income			
Dividend income		3,525,709	3,096,648
Interest income		2,226	1,949
Miscellaneous income		20,159	27,096
Net realised gain on financial assets and liabilities at fair value through profit or loss		862,623	862,840
Movement in net unrealised (loss)/gain on financial assets and liabilities at fair value through profit or loss		(8,598,621)	3,606,166
Total (loss)/income		(4,187,904)	7,594,699
Expenses			
Investment management fees	3	2,785,737	2,231,913
Administration fees	4	136,394	137,948
Custody fees	5	195,093	128,174
Directors' fees	6	48,749	37,374
Audit fees	7	19,927	36,861
Professional fees		121,122	133,580
Performance fees	3	48,889	1,073,890
Transaction costs		1,305,484	1,267,862
Other expenses		56,630	12,853
Total expenses		4,718,025	5,060,455
Net (expense)/income before finance costs		(8,905,929)	2,534,244
Finance costs			
Overdraft interest		(9,461)	(4,075)
Indian capital gains tax		(322,557)	–
Total finance costs		(332,018)	(4,075)
Withholding tax on dividends		(238,461)	(249,808)
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations		(9,476,408)	2,280,361

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.

For and on behalf of the Board of Directors of Prusik Asian Smaller Companies Fund plc

Director
27 April 2015

Director

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

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

	For the year ended 31 December 2014	For the year ended 31 December 2013
	USD	USD
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations	(9,476,408)	2,280,361
Capital Share Transactions of Redeemable Participating Shares		
Proceeds from issuance of Redeemable Participating Shares	15,586,318	115,405,999
Payments on redemption of Redeemable Participating Shares	(23,933,866)	(34,046,488)
Recontribution due to additional performance fee	3 7,229	–
Net (decrease)/increase from Capital Share Transactions of Redeemable Participating Shares	<u>(8,340,319)</u>	<u>81,359,511</u>
Change in Net Assets Attributable to Holders of Redeemable Participating Shares	(17,816,727)	83,639,872
Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the year	184,873,326	101,233,454
Net Assets Attributable to Holders of Redeemable Participating Shares at the end of the year	<u>167,056,599</u>	<u>184,873,326</u>

The accompanying notes form an integral part of the 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 2013 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 they comply with accounting standards issued by the Financial Reporting Council (“FRC”), 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 19 and 20.

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 year 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 year in which they arise. Dividends are credited to the Profit and Loss Account on the dates on which the relevant securities are listed as “ex-dividend”.

(iii) Derecognition

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

- The rights to receive cash flows from the assets have expired; or
- The Company has transferred its rights to receive cash flows from the assets or has assumed an obligation to pay the received cash flows in full without material delay to a third party under “pass through” arrangements; or
- Either (a) the Company has transferred substantially all the risks and rewards of the assets, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the asset.

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 Fund measures financial instruments classified as financial assets at fair value through profit or loss at their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Securities which are quoted, listed or traded on a Recognised Exchange will be valued for financial reporting purposes 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 as at 31 December 2014 and 31 December 2013 the Company did not hold any derivative instruments.

Forward Foreign Currency Contracts

Forward foreign currency contracts shall be valued in the same manner as derivatives contracts which are not traded in a regulated market or by reference to the price at the Valuation Point at which new forward contract of the same size and maturity could be undertaken. The forward foreign currency contracts held by the Company as at 31 December 2014 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)

Collective Investment Schemes and Real Estate Investment Trusts

Units in collective investment schemes shall be valued at the latest available net asset value per unit or bid price as published by the relevant collective investment scheme or, if traded on a Recognised Exchange, in accordance with listed securities above. As at 31 December 2014 the Company did not hold any collective investment schemes units.

Distributions Payable to Holders of Redeemable Participating Shares

The Company received Reporting Fund Status from HMRC with effect from 1st January 2010 (the Company previously had been registered as having distributor status for the year ended 31 December 2009). The Directors, at their discretion, can propose to distribute any of the net investment income of the Class B Dollar Distributing Class, the Class C Sterling Distributing Class, the Class D Singapore Dollar Distributing Class, the Class E Singapore Dollar Distributing Class and the Class U Sterling (Unhedged) Distributing Class of the Company. In the event that a dividend is paid it will be paid out of the net investment income and/or net realised and unrealised capital gains (i.e. realised and unrealised gains net of realised and unrealised losses) of the Company. It is currently anticipated that, if there is net income to distribute, a dividend will be declared in April of each year, and will be paid within two months of declaration. However, the Directors may at their discretion determine the frequency at which a dividend is paid. Shareholders will be notified of any change in the frequency of the payment of dividends. Distributions to holders of redeemable participating shares are recorded in the Profit and Loss Account as finance costs when paid. As at 31 December 2014 and 31 December 2013 no distributions were paid or payable from the Company.

Foreign Exchange Translation

Functional and Presentation Currency

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

Transactions and Balances

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

Investment Transactions and Investment Income

Investment transactions are accounted for as at the date purchased or sold. Gains and losses arising from changes in the fair value of the Financial Assets at fair value through profit or loss are included in the Profit and Loss account in the year in which they arise.

Interest Income and Interest Expenses

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

Dividend Income

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

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 three 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 year ended 31 December 2014 is as follows:

	Class A Dollar Non-Distributing Class Shares	Class B Dollar Distributing Class Shares	Class C Sterling Distributing Class Shares
At the beginning of the year	434,878	107,810	86,380
Redeemable Participating Shares issued	59,143	456	24,145
Redeemable Participating Shares redeemed	(53,077)	(29,060)	(5,782)
At the end of the year	440,944	79,206	104,743

	Class D Singapore Dollar Distributing Class Shares	Class E Singapore Dollar Distributing Class Shares	Class U Sterling (Unhedged) Distributing Class Shares
At the beginning of the year	433,226	13,179	27,959
Redeemable Participating Shares issued	9,563	–	4,711
Redeemable Participating Shares redeemed	(41,931)	–	(12,047)
At the end of the year	400,858	13,179	20,623

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Share Capital (continued)

The movement in the number of redeemable participating shares for the year ended 31 December 2013 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	333,682	121,556	84,024
Redeemable Participating Shares issued	234,178	6,473	25,409
Redeemable Participating Shares redeemed	(134,982)	(20,219)	(23,053)
At the end of the year	434,878	107,810	86,380

	Class D Singapore Dollar Distributing Class Shares	Class E Singapore Dollar Distributing Class Shares	Class U Sterling (Unhedged) Distributing Class Shares
At the beginning of the year	116,852	5,487	–
Redeemable Participating Shares issued	339,317	7,692	28,428
Redeemable Participating Shares redeemed	(22,943)	–	(469)
At the end of the year	433,226	13,179	27,959

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.

Holders of the Distributing Class are entitled to receive all dividends declared and paid by the Company. Upon winding up, the holders are entitled to a return of capital based on the NAV per Share of the Company.

2. Net Asset Value per Redeemable Participating Share Reconciliation

In accordance with the provisions of the Company’s Prospectus, marketable investment securities are valued for Shareholder dealing purposes at last traded prices at the valuation point. Marketable investment securities for financial reporting purposes are required by FRS 26 to be valued based on last bid prices at the valuation point. The difference between the two valuation methods may result in a difference between the NAV per Share shown in the financial statements and the NAV per Share at which Redeemable Participating Shares are issued and redeemed.

In the current year an adjustment to the carrying amount of the Net Assets attributable to holders of Redeemable Participating Shares (for Shareholder dealing purposes) of USD628,970 (USD739,820: 31 December 2013) has been reflected in accordance with FRS 26 to reflect the bid price at the valuation point.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

	Class A US Dollar Non- Distributing Class USD	Class B US Dollar Distributing Class USD	Class C Sterling Distributing Class USD	Class D Singapore Dollar Distributing Class USD	Class E Singapore Dollar Distributing Class USD
Dealing NAV	70,372,262	12,652,303	13,642,333	66,625,728	1,385,020
Deduct: FRS 26 valuation adjustment	263,959	47,457	51,171	249,906	5,195
Total NAV (for financial reporting purposes)	70,108,303	12,604,846	13,591,162	66,375,822	1,379,825
Shares Outstanding	440,944	79,206	104,743	400,858	13,179
For financial reporting purposes:					
NAV per Redeemable Participating Share (USD)	159.00	159.14	129.76	165.58	104.70
NAV per Redeemable Participating Share (local currency of share class)	159.00	159.14	83.22	218.83	138.36
For shareholder dealing purposes:					
NAV per Redeemable Participating Share (USD)	159.59	159.74	130.25	166.21	105.09
NAV per Redeemable Participating Share (local currency of share class)	159.59	159.74	83.53	219.65	138.88
		Class U Sterling (Unhedged) Distributing Class USD	Total		
Dealing NAV	3,007,923		167,685,569		
Deduct: FRS 26 valuation adjustment	11,282		628,970		
Total NAV (for financial reporting purposes)	2,996,641		167,056,599		
Shares Outstanding	20,623				
For financial reporting purposes:					
NAV per Redeemable Participating Share (USD)	145.30				
NAV per Redeemable Participating Share (local currency of share class)	93.19				
For shareholder dealing purposes:					
NAV per Redeemable Participating Share (USD)	145.85				
NAV per Redeemable Participating Share (local currency of share class)	93.54				

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

The table below shows the Net Asset Value per Redeemable Participating Share Reconciliation for the year ended 31 December 2013:

	Class A US Dollar Non- Distributing Class USD	Class B US Dollar Distributing Class USD	Class C Sterling Distributing Class USD	Class D Singapore Dollar Distributing Class USD	Class E Singapore Dollar Distributing Class USD
Dealing NAV	71,914,908	17,844,383	12,282,732	77,929,766	1,414,327
Deduct: FRS 26 valuation adjustment	286,640	71,124	48,957	310,614	5,637
Total NAV (for financial reporting purposes)	71,628,268	17,773,259	12,233,775	77,619,152	1,408,690
Shares Outstanding	434,878	107,810	86,380	433,226	13,179
For financial reporting purposes:					
NAV per Redeemable Participating Share (USD)	164.71	164.86	141.63	179.17	106.89
NAV per Redeemable Participating Share (local currency of share class)	164.71	164.86	85.78	226.54	135.15
For shareholder dealing purposes:					
NAV per Redeemable Participating Share (USD)	165.37	165.52	142.19	179.88	107.31
NAV per Redeemable Participating Share (local currency of share class)	165.37	165.52	86.12	227.44	135.69
	Class U Sterling (Unhedged) Distributing Class USD	Total			
Dealing NAV	4,227,030	185,613,146			
Deduct: FRS 26 valuation adjustment	16,848	739,820			
Total NAV (for financial reporting purposes)	4,210,182	184,873,326			
Shares Outstanding	27,959				
For financial reporting purposes:					
NAV per Redeemable Participating Share (USD)	150.58				
NAV per Redeemable Participating Share (local currency of share class)	91.20				
For shareholder dealing purposes:					
NAV per Redeemable Participating Share (USD)	151.19				
NAV per Redeemable Participating Share (local currency of share class)	91.57				

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Investment Management Fees

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

The Investment Manager receives from the Company a fee in relation to the Fund of 1.5% per annum of the NAV of the Company 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.

The Investment Manager earned a fee of USD2,785,737 during the year ended 31 December 2014 (USD2,231,913: 31 December 2013), of which USD222,540 is outstanding at the year end (USD238,289: 31 December 2013).

Performance fee and equalisation

In relation to Classes A, B, C, D and U the Investment Manager also receives a Performance Fee out of the assets of the Company. The Performance Fee is calculated in respect of each twelve month period ending on 31 December respectively in each year (a “Calculation Period”) for Classes A, B, C, D and quarterly for Class U. 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.

In the case of Classes A, B, C and D there is a further calculation, which is intended to ensure the performance fee for these classes is based on the performance of each individual shareholding, and the result of this calculation is that certain shareholders may benefit from a credit against future performance fees referred to as an equalisation credit. Other shareholders may be required to pay additional amounts of performance fee if they have subscribed for shares at a time when the Net Asset Value per Share of the relevant class is less than that when a performance fee was last paid for that class. The Investment Manager will not charge the Holders of Participating Shares of the Company a performance fee if the Net Asset Value does not appreciate by more than 6% per annum for classes A, B, C and D or 1.5% per quarter for class U.

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. The class E Singapore Dollar Distributing Class will not be charged a Performance Fee.

A Performance Fee of USD48,889 was earned during the year ended 31 December 2014 (USD1,073,890: 31 December 2013), which includes USD7,229 of retribution due to additional performance fees (USDNil: 31 December 2013). The performance fee outstanding at the year end was USD27,104 (USD734,842: 31 December 2013), which includes USDNil of an additional performance fee (USDNil: 31 December 2013).

4. Administration Fees

The Company pays Brown Brothers Harriman Fund Administration Services (Ireland) Limited (the “Administrator”) a fee of 0.04% of the NAV of the Company if the NAV is less than USD200,000,000, 0.03% of any increment greater than USD200,000,000 and less than USD400,000,000, and 0.02% of any increment greater than USD400,000,000 (plus VAT, if any), subject to a minimum monthly charge of USD4,000. Additional Classes in excess of two Classes shall be charged at \$250 per month. The Administrator is also entitled to receive registration fees and transaction and reporting charges at normal commercial rates which shall accrue daily and be paid monthly in arrears.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Administration Fees (continued)

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 USD136,394 during the year ended 31 December 2014 (USD137,948: 31 December 2013), of which USD25,108 is outstanding at the year end (USD30,715: 31 December 2013).

5. 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 Company shall also pay the fees and reasonable transaction charges (charged at normal commercial rates) of any sub-custodian appointed by the Custodian. The Custodian fees are payable monthly in arrears, subject to a minimum charge of USD36,000 per Fund per annum.

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

The Custodian earned a fee of USD195,093 during the year ended 31 December 2014 (USD128,174: 31 December 2013), of which USD36,362 is outstanding at the year end (USD45,500: 31 December 2013).

6. Directors' Fees

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

The Directors earned fees of USD48,749 during the year ended 31 December 2014 (USD37,374: 31 December 2013), of which USD12,184 is outstanding at the year end (USD3,606: 31 December 2013).

7. Auditors Remuneration

Audit fees charged to the Profit and Loss Account for the year ended 31 December 2014 amounted to USD19,927 (USD36,861: 31 December 2013) of which USD7,293 is outstanding at the year ended 31 December 2014 (USD31,734: 31 December 2013). This represents remuneration for work carried out for the Company for statutory audit of financial statements.

Remuneration for work carried out for the Company by its statutory audit firm for the years ended 31 December 2014 and 31 December 2013 was as follows:

	Year ended 31 December 2014	Year ended 31 December 2013
	USD	USD
Statutory audit fees	19,927	36,861

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Related Parties

Directors

Heather Manners, a Director of the Company, is Chief Investment Officer of the Investment Manager and has not been paid a fee for the year ended 31 December 2014.

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

David Hammond was Managing 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 until 1 August 2014. Bridge Consulting earned a fee of USD28,869 for the year ended 31 December 2014 (USD36,913: 31 December 2013), of which USD6,859 is outstanding at the year end (USD7,432: 31 December 2013).

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

Related Party	Shares held	Share Class
Heather Manners	5,280	Class E Singapore Dollar Distributing Class
Prusik Investment LLP	83	Class E Singapore Dollar Distributing Class
Anthony Morris	2,147	Class E Singapore Dollar Distributing Class
Thomas Naughton (Partner of the Investment Manager)	2,731	Class E Singapore Dollar Distributing Class
Richard Hayes	2,753	Class E Singapore Dollar Distributing Class

The following Directors and related parties held Shares in the Company as at 31 December 2013:

Related Party	Shares held	Share Class
Heather Manners	5,280	Class E Singapore Dollar Distributing Class
Prusik Investment LLP	83	Class E Singapore Dollar Distributing Class
Prusik Investment Management Singapore Private Limited	98	Class E Singapore Dollar Distributing Class
Anthony Morris	2,147	Class E Singapore Dollar Distributing Class
Thomas Naughton (Partner of the Investment Manager)	2,731	Class E Singapore Dollar Distributing Class
Richard Hayes	2,753	Class E Singapore Dollar Distributing Class

9. Cash

	31 December 2014	31 December 2013
	USD	USD
Brown Brothers Harriman & Co.	709,554	381,506
Brown Brothers Harriman & Co., Grand Cayman	8,238	533
Citibank, Nassau	5,172,430	10,854,095
HSBC Bank Plc, Singapore	–	3,119,111
	<u>5,890,222</u>	<u>14,355,245</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Taxation

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

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

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

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.

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

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

11. Soft Commission Agreements

During the year ended 31 December 2014, 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 Investment Manager considers these arrangements are to the benefit of the Company and has satisfied itself that it obtains best execution on behalf of the Company and the brokerage rates are not in excess of the customary institutional full service brokerage rates.

These arrangements do not affect the Investment Manager's obligation to obtain best execution on investment transactions undertaken for the Company.

12. Efficient Portfolio Management

During the year ended 31 December 2014 the Company did not hold any instruments for the purposes of efficient portfolio management.

13. Exchange Rates

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

	31 December 2014	31 December 2013
Australian Dollar	1.2197	1.1208
Euro	0.8227	0.7266
Hong Kong Dollar	7.7546	7.7539
Indian Rupee	63.1225	61.8450
Indonesian Rupiah	12,385.0000	12,170.0000
Malaysian Ringgit	3.4965	3.2785
Philippine Peso	44.8200	44.4000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Exchange Rates (continued)

	31 December 2014	31 December 2013
Pound Sterling	0.6413	0.6057
Singapore Dollar	1.3216	1.2644
Sri Lankan Rupee	131.2000	130.8000
South Korean Won	1,088.3200	1,055.7250
Taiwan Dollar	31.6550	29.8250
Thailand Baht	32.8800	32.7600
Vietnamese Dong	21,387.5000	21,095.0000

14. Financial Risk Management

In pursuing its investment objective, the Company is exposed to a variety of financial risks as defined in FRS 29 including: market risk (including market price risk, currency risk and interest rate risk), credit risk and liquidity risk, that could result in a reduction in the Company's NAV. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Prospectus provides further details on the treatment of risk factors affecting the Fund.

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

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

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

a) Market Risk

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

(i) Market Price Risk

Market price risk is defined in FRS 29 as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

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

A 5% increase or decrease in the market price of investments at 31 December 2014, with all other variables held constant, would have increased or decreased the Net Assets Attributable to Holders of Redeemable Participating Shares of the Company by approximately 5% or USD8,102,396 (USD8,966,980: 31 December 2013).

The Fund's concentration of equity price risk by geographical distribution can be seen in the Schedule of Investments, on pages 14 to 16.

ii) Currency Risk

Currency risk is defined in FRS 29 as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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

The table overleaf sets out the Company's total exposure to foreign currency at the year ended 31 December 2014, including sensitivity analysis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Financial Risk Management (continued)

a) Market Risk (continued)

(ii) Currency Risk (continued)

	Cash	Non-Cash	Total USD	Effect on Net Assets of 5% Change in Foreign Exchange Rate (stated in USD)
Australian Dollar	47	2,846,887	2,846,934	142,347
Euro	426	–	426	21
Hong Kong Dollar	6	46,394,819	46,394,825	2,319,741
Indian Rupee	441,456	21,928,776	22,370,232	1,118,512
Indonesian Rupiah	–	1,533,105	1,533,105	76,655
Malaysian Ringgit	–	4,698,433	4,698,433	234,922
Phillipine Peso	–	11,442,991	11,442,991	572,150
Pound Sterling	(1,303)	13,013,162	13,011,859	650,593
Singapore Dollar	(868)	75,838,829	75,837,961	3,791,898
South Korean Won	–	17,775,823	17,775,823	888,791
Sri Lankan Rupee	–	1,139,139	1,139,139	56,957
Taiwan Dollar	1	9,557,100	9,557,101	477,855
Thailand Baht	–	12,848,540	12,848,540	642,427
Vietnamese Dong	283,857	15,534,317	15,818,175	790,909

The table below sets out the Company's total exposure to foreign currency at the year ended 31 December 2013, including sensitivity analysis.

	Cash	Non-Cash	Total USD	Effect on Net Assets of 5% Change in Foreign Exchange Rate (stated in USD)
Australian Dollar	45	5,179,065	5,179,110	258,956
British Pound	397,935	12,001,600	12,399,535	619,977
Euro	484	–	484	24
Hong Kong Dollar	4	58,640,846	58,640,850	2,932,042
Indian Rupee	–	4,709,384	4,709,384	235,469
Indonesian Rupiah	–	4,532,868	4,532,868	226,643
Malaysian Ringgit	4,890	7,751,280	7,756,170	387,809
Phillipine Peso	5,589	11,729,864	11,735,453	586,773
Singapore Dollar	3,107,773	90,108,979	93,216,752	4,660,838
Sri Lankan Rupee	–	2,656,929	2,656,929	132,846
South Korean Won	–	19,560,441	19,560,441	978,022
Taiwan Dollar	–	18,108,801	18,108,801	905,440
Thai Baht	–	9,418,773	9,418,773	470,939
Vietnam Dong	377,990	11,620,886	11,998,876	599,944

(iii) Interest Rate Risk

Interest rate risk is defined in FRS 29 as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in relevant interest rates.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Financial Risk Management (continued)

b) Credit Risk

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

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

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

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

The short term credit rating for Brown Brothers Harriman & Co. is the highest short term credit quality. This indicates the strongest intrinsic capacity for timely payment of financial commitments, as rated by Fitch.

The credit ratings for other institutions are outlined below:

	Moody's 31 December 2014	Moody's 31 December 2013
Citibank, Nassau	A2	Baa2
HSBC Bank Plc, Singapore	Aa3	Aa3

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

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

The Company invests in equity securities and has limited or no exposure to credit risk on its investments. However the Company has exposure to credit risk on any cash balances and forward foreign exchange positions held for share class currency hedging purposes. The notional amount as at 31 December 2014 was USD76,691,593 (USD90,962,136: 31 December 2013).

c) Liquidity Risk

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Financial Risk Management (continued)**c) Liquidity Risk (continued)**

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

In addition, the Company's policy is to maintain sufficient cash to meet normal operating requirements and expected redemption requests. The Company has the ability to borrow in the short term to ensure settlement of potential weekly cash redemptions of redeemable participating shares. No such borrowings have arisen during the year ending 31 December 2014 and 31 December 2013.

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

31 December 2014

	Less than or equal to 1 month USD	Due within 3 months USD	Total USD
Bank overdraft	2,171	–	2,171
Payable for Investments Purchased	308,481	–	308,481
Redemptions payable	–	–	
Other Payables	–	912,122	912,122
Redeemable Participating Shares	167,056,599	–	167,056,599
Total	167,367,251	912,122	168,279,373
<i>Forward foreign currency exchange contracts</i>			
Payables	–	77,723,926	77,723,926
Receivables	–	(76,691,593)	(76,691,593)
Net	–	1,032,333	1,032,333
Total	167,367,251	1,944,455	169,311,706

31 December 2013

	Less than or equal to 1 month USD	Due within 3 months USD	Total USD
Payable for Investments Purchased	4,971,569	–	4,971,569
Redemptions payable	2,300,746	–	2,300,746
Other Payables	–	1,170,196	1,170,196
Redeemable Participating Shares	184,873,326	–	184,873,326
Total	192,145,641	1,170,196	193,315,837
<i>Forward foreign currency exchange contracts</i>			
Payables	77,363,149	–	77,363,149
Receivables	(76,413,386)	–	(76,413,386)
Net	949,763	–	949,763
Total	193,095,404	1,170,196	194,265,600

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Financial Risk Management (continued)

d) Fair Value Estimation

The Company has adopted FRS 29 which established a three-tier hierarchy to prioritise the assumptions, referred to as inputs, used in valuation techniques to measure fair value. The three-tier hierarchy of inputs is summarised in the three broad levels listed below.

The fair value hierarchy has the following levels:

(i) Level 1: Investments, whose values are based on quoted market prices in active markets, and therefore are classified within Level 1, include active listed equities. Quoted prices for these instruments are not adjusted.

(ii) Level 2: Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

(iii) Level 3: Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value requires significant management judgement or estimation. As observable prices are not available for these securities, a Fund would use valuation techniques to derive fair value.

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

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

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

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

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following table provides an analysis within the fair value hierarchy of the Company’s financial assets and liabilities measured at fair value at 31 December 2014 and 31 December 2013:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Financial Risk Management (continued)

d) Fair Value Estimation (continued)

As at 31 December 2014

Financial Assets at Fair Value Through Profit or Loss

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Common Stock	163,080,249	–	–	163,080,249
Total Assets	163,080,249	–	–	163,080,249

Financial Liabilities at Fair Value Through Profit or Loss

Forward foreign currency contracts	–	(1,032,333)	–	(1,032,333)
Total Liabilities	–	(1,032,333)	–	(1,032,333)

As at 31 December 2013

Financial Assets at Fair Value Through Profit or Loss

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Common Stock	166,155,176	13,184,423	–	179,339,599
Forward foreign currency contracts	–	424,006	–	424,006
Total Assets	166,155,176	13,608,429	–	179,763,605

Financial Liabilities at Fair Value Through Profit or Loss

Forward foreign currency contracts	–	(949,763)	–	(949,763)
Total Liabilities	–	(949,763)	–	(949,763)

The following table presents the transfers between levels for the investments held at 31 December 2014 and 31 December 2013:

Movement for the year ended 31 December 2014	Level 1 USD	Level 2 USD	Level 3 USD
Transfers between Level 1 and 2:			
Equity Securities	5,208,072	(5,208,072)	–

The Fund held no Level 3 investments as at the year ended 31 December 2014 (Nil: 31 December 2013).

The transfer from level 2 to level 1 was the result of a change in pricing of two equity securities during the year ended 31 December 2014. These securities are Thai and Philippine securities, normally quoted on a division of the market reserved for foreign holders, but which are occasionally priced using prices from the domestic market when prices from the foreign market are not available.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Capital Management

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

15. Portfolio Analysis

As at 31 December 2014

	Market Value USD	% of Total Assets
Transferable securities admitted to an official exchange listing or dealt on another regulated market	163,080,249	96.32
Financial derivative instruments (Forward Contracts)	(1,032,333)	(0.61)
Net financial assets at fair value through profit or loss	162,047,916	95.71

As at 31 December 2013

	Market Value USD	% of Total Assets
Transferable securities admitted to an official exchange listing or dealt on another regulated market	179,339,599	92.32
Financial derivative instruments (Forward Contracts)	(525,757)	(0.27)
Net financial assets at fair value through profit or loss	178,813,842	92.05

16. Significant Events during the Year

A new Prospectus was noted by the Central Bank on 17 February 2014 to incorporate changes to administration and custody fees. Another Prospectus was noted by the Central Bank on 24 December 2014 to incorporate changes in the trading policy.

17. Events since the Year End

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

18. Approval of Financial Statements

The report and audited financial statements were approved by the Board of Directors on 27 April 2015.

STATEMENT OF SIGNIFICANT CHANGES IN THE COMPOSITION OF PORTFOLIO

In accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended), 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 Purchases for the year ended 31 December 2014

Security Description	Acquisitions Nominal	Cost USD
Premium Leisure Corp.	158,000,000	5,787,546
Wasion Group Holdings Ltd.	7,200,000	5,281,578
7-Eleven Malaysia Holdings Bhd.	8,782,000	5,073,151
Kaveri Seed Co. Ltd.	383,000	4,965,781
Dae Hyun Co. Ltd.	1,395,000	4,945,216
Ceat Ltd.	570,000	4,917,300
Hanjin Kal Corp.	267,000	4,743,711
Naturalendo Tech Co. Ltd.	77,000	4,677,898
eMemory Technology, Inc.	500,000	4,604,883
i-SENS, Inc.	92,000	4,569,107
Beijing Urban Construction Design & Development Group Co. Ltd.	8,200,000	4,509,875
Optotech Corp.	9,160,000	4,490,296
Persistent Systems Ltd.	245,000	4,465,157
Lingsen Precision Industries	7,600,000	4,436,188
Paradise Entertainment Ltd.	4,600,000	4,143,578
Eros International Plc	270,000	4,086,011
Woory Industrial Co. Ltd.	310,000	4,044,870
Sunny Optical Technology Group Co. Ltd.	3,100,000	3,940,242
Freelancer Ltd.	2,600,000	3,900,805
Nexteer Automotive Group Ltd.	5,600,000	3,871,913
Yoma Strategic Holdings Ltd.	7,000,000	3,739,202
Sound Global Ltd.	3,240,000	3,710,203
Bizlink Holding Inc.	705,000	3,700,323
Samart Corp. PCL	3,500,000	3,627,006
Major Cineplex Group PCL	4,600,000	3,605,649
Tongda Group Holdings Ltd.	26,500,000	3,535,470
Dynagreen Environmental Protection Group Co. Ltd.	6,500,000	3,288,259
Credit Analysis & Research Ltd.	130,000	3,215,394
Ezion Holdings Ltd.	1,800,000	3,110,694
Newocean Energy Holdings Ltd.	3,356,000	2,746,088
Sitronix Technology Corp.	1,450,000	2,604,347
Bona Film Group Ltd.	388,000	2,470,592
Unique Engineering & Co.	8,500,000	2,258,155

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

Major Purchases for the year ended 31 December 2014 (continued)

Security Description	Acquisitions Nominal	Cost USD
Haichang Holdings Ltd.	11,500,000	2,156,245
Dat Xanh Real Estate Service & Construction JSC	2,600,000	1,965,962
Danal Co. Ltd.	170,000	1,942,182
Just Dial Ltd.	72,000	1,941,760
Asia Sermkij Leasing PCL	3,250,000	1,926,384
Ktis Corp.	390,000	1,887,127
Erajaya Swasembada Tbk PT	17,500,000	1,765,153
Tune Ins Holdings Bhd.	2,208,600	1,594,213

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

Major Sales for the year ended 31 December 2014

Security Description	Disposals Nominal	Proceeds USD
Naturalendo Tech Co. Ltd.	138,600	6,640,914
Boyaa Interactive International Ltd.	4,725,000	5,792,140
PChome Online, Inc.	840,000	5,788,726
Cosmax, Inc.	50,980	4,721,657
Kolao Holdings	204,062	4,621,082
Siloam International Hospitals Tbk PT	5,900,000	4,618,218
REXLot Holdings Ltd.	38,000,000	4,611,954
Optotech Corp.	9,160,000	4,560,969
Newocean Energy Holdings Ltd.	4,800,000	4,509,163
Li Ning Co. Ltd.	6,400,000	4,452,743
Qingling Motors Co. Ltd.	15,100,000	4,277,258
Ceat Ltd.	280,000	4,146,284
Silverlake Axis Ltd.	4,270,000	4,122,518
Eros International Plc	270,000	4,108,705
Lingsen Precision Industries	7,600,000	3,986,334
Premium Leisure Corp.	80,000,000	3,862,053
TTFB Co. Ltd.	395,000	3,835,369
Tune Ins Holdings Bhd.	6,608,600	3,735,788
CJ CGV Co. Ltd.	75,000	3,470,003
Zinwell Corp.	3,550,000	3,310,180
Taiwan FU Hsing Industrial Co. Ltd.	3,200,000	3,301,287
Thai Tap Water Supply PCL-Foreign	11,048,700	3,158,975
Sino Grandness Food Industry Group Ltd.	8,300,000	3,105,375
Hopefluent Group Holdings Ltd.	9,472,000	3,030,619
Sinotruk Hong Kong Ltd.	5,700,000	2,954,329
E-House China Holdings Ltd.	265,000	2,882,072
Woory Industrial Co. Ltd.	310,000	2,826,908
Unique Engineering & Co.	8,500,000	2,726,662
Glomac Bhd.	8,100,000	2,676,124
Bizlink Holding Inc.	757,840	2,656,395
Kaveri Seed Co. Ltd.	183,000	2,610,251
Bonjour Holdings Ltd.	17,050,000	2,602,795
KCP Co. Ltd.	317,100	2,563,089
WHA Corp. PCL	3,600,000	2,539,931
CPMC Holdings Ltd.	3,100,000	2,535,871
Xingda International Holdings Ltd.	4,600,000	2,429,360
Hanjin Kal Corp.	94,000	2,065,707
Paradise Entertainment Ltd.	4,600,000	1,866,708
Xinyi Glass Holdings Ltd.	3,050,000	1,853,990

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

Major Sales for the year ended 31 December 2014 (continued)

Security Description	Disposals Nominal	Proceeds USD
Freelancer Ltd.	2,600,000	1,848,761
GOME Electrical Appliances Holding Ltd.	10,000,000	1,775,451
EEI Corp.	7,090,500	1,675,856

MANAGEMENT AND ADMINISTRATION

BOARD OF DIRECTORS

David Hammond* (Irish)
Heather Manners (British)
Anthony Morris (British) (Alternate Director)
Richard Hayes* (Irish)
*Independent of the Investment Manager

COMPANY NAME AND REGISTERED OFFICE

Prusik Asian Smaller Companies Fund plc
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Dublin 2
Ireland

**PROMOTER , INVESTMENT MANAGER
AND DISTRIBUTOR**

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United Kingdom

ADMINISTRATOR

Brown Brothers Harriman Fund Administration
Services (Ireland) Limited
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Dublin 2
Ireland

Until 12 April 2015

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