

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)

**Condensed Semi-Annual Report and Unaudited Financial Statements
For the Financial Period Ended 30 June 2016**

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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 Part 24 of the Companies Act 2014 and authorized by the Central Bank of Ireland (the “Central Bank”) under (Supervision and Enforcement) Act 2013 (section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (S.I. No. 420 of 2015) (the “Central Bank UCITS Regulations”).

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

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

The Company commenced trading on 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 31 March 2016.

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 depositary receipts and global depositary receipts and other equity related securities and instruments, which may be over-the-counter (“OTC”) or listed, including convertible bonds, depositary 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.

INVESTMENT MANAGER'S REPORT

PASCF half year report June 2016

Over the first half of 2016 the fund rose 8.8% versus the index rise of 2.5%, outperforming the index by 6.3%. Below we examine what the drivers of performance were in each quarter, note any significant changes to the portfolio and consider the outlook for Asia overall.

1Q16 Review

Over the first quarter the index rose 1.9%, whilst the Prusik Asia Smaller Companies Fund rose 0.5%. This disappointing relative performance was attributable to a few clear factors most of which we were confident would see a good recovery in the following months. We made very few changes to the fund during the period so the lack of an appreciation in the fund NAV was largely a failure of our stocks to rally as much as the index during March. While March was disappointing, we also think it is important to highlight that what did well in the month was mostly low quality cyclical stocks, which is not our typical hunting ground for long term investment ideas.

Here is a summary of the positive and negative contributors in 1Q16.

What did well in 1Q16?

Connected Car: 13.8% average weighting in 1Q16

- The connected car theme performed extremely well in 1Q16.
- The key contributor was Taiwanese car camera and tyre pressure producer, **Tung Thih**, up 70%!
- Staggering new order demand for Tesla's new model has lit another flame under this theme.
- Selling more high margin products to Tesla led to 20-60% EPS growth for our Tesla related holdings in 2015.

Ecommerce: 2.4% average weighting in 1Q16

- While relatively small, our ecommerce theme delivered a solid positive return in 1Q16.
- **PChome Online** in Taiwan saw 13% EPS growth in 2015, 5% ahead of consensus.

Financialisation: 11.4% average weighting in 1Q16

- 3 out of 4 stocks saw positive returns in the quarter.
- Shariah insurance play, **Syarikat Takaful**, rose 17% in 1Q16.
- Key detractor, **Credit Analysis & Research**, delivered more poor results and was sold during the quarter.
- We also sold Australian investor platform provide, **Praemium**, after a positive YTD contribution.

What did not do well in 1Q16?

Leisure & Tourism: 15.1% average weighting in 1Q16

- The leisure and tourism theme delivered a negative return in 1Q16.
- The key detractor was **Major Cineplex** owing to disappointing 2015 results resulting from a lack of new Thai movie content and lower than normal discounts on ticket prices which led to a drop in visitors. Meetings with management suggest these issues will be addressed in 2016. **Major** is also planning on expanding its number of screens by record levels this year.

Vietnam: 21.6% average weighting in 1Q16

- Vietnam saw a positive return in 1Q16, although aggregate returns slightly lagged the Asia index.
- High quality, net cash developer with very strong order book growth, **Cotec Construction**, was the star contributor, up 24% in the quarter.

INVESTMENT MANAGER’S REPORT (CONTINUED)

ASEAN

One of the reasons the fund underperformed the index in 1Q16 is that, aside from our weighting in Vietnam, we had a low weighting in ASEAN. The ASEAN40 index rose just over 10% in first few months of the year but in that time earnings for the ASEAN40 index rose just 1.8%. While it was encouraging to see that earnings growth in ASEAN had turned positive, the absolute growth numbers were low and so evidently the rise in the ASEAN markets in the quarter had been driven by a rerating rather than earnings growth. One major driver of the valuation expansion was the fall in bond yields across the region. This clearly has further to go in Indonesia and Malaysia, as well as Vietnam; however, in Thailand bond yields fell to lower levels than the US! Equity valuations in ASEAN in the quarter climbed above their historical averages, in some cases by a wide margin. Here is a table showing the 1Q16 year on year EPS growth, the local index move over 1Q16 and forward P/E ratio for each index at that time.

	1Q16 yoy EPS Growth	Index Return	Index Forward P/E
Indonesia	1.0%	6.3%	16.3x
Malaysia	-0.8%	1.1%	15.9x
Philippines	-0.3%	3.8%	17.7x
Thailand	-3.6%	9.9%	14.5x

Source: UBS

The question at the time was whether growth could catch up with valuations or whether a correction was due. This was not clear; however, it was notable that the ASEAN countries have a few tailwinds. One is that the governments have and will continue to spend on massive infrastructure projects such as the ambitious railway network project due to run from Southern China through to Singapore. These kinds of projects could be accelerated if the economies in the region show signs of weakening. Laos, Vietnam, Cambodia and Myanmar are also seen as important growth engines for the region.

In our view, Vietnam represents the most attractive investment proposition out of these countries given Vietnam’s vast growth potential and low exposure in global portfolios. In addition, there are discussions that Morgan Stanley might introduce an ASEAN index which would include Vietnam. This would fast forward the process for inclusion in the other indices. Other positive factors driving Vietnam this year include the removal of foreign ownership limits and one of the fastest GDP growth rates in the region of 6.5%, driven by manufacturing related FDI.

During the quarter we increased our exposure to Vietnam via our purchase of Amata VN, the Vietnamese arm of Thai industrial estate operator, Amata Corp. Similar to its parent, Amata VN operates industrial estates in Vietnam, making money from land sales and renting out ready built factory space and providing utility services. Amata VN’s customers include Bayer, Nestle and Toshiba with its key end markets comprising chemicals, textiles, machinery and electronics manufacturing. Recently, the Vietnamese government granted the company a license to develop a second industrial estate project with a total size of 23 million rai. Amata VN has a market capitalisation of US\$235 million and is trading on 9.6x 2017 P/E.

2Q16 Review

Over the second quarter the Prusik Asian Smaller Companies Fund rose 8.3% versus the index rise of 0.8%.

It was a tumultuous end to the half year with the Brexit vote coming at the end of June. We have very little exposure to the UK in the portfolio, or even to Europe, as the vast majority of the portfolio is focused on the Asian consumer, international tech trends and regional drivers.

Against this backdrop, it was particularly pleasing to see the Prusik Asia Smaller Companies Fund enjoy strong returns in 2Q16. As we have highlighted on numerous occasions, the fund saw average profit growth in 2015 of 36%. This was significantly ahead of the average profit growth in 2015 for the index, which stood at just 6%. Around 80% of our holdings have reported 1Q16 results this year (the remainder only report on a semi annual basis for which the numbers will come later). For those holdings which have reported, average profit growth in 1Q16 was

INVESTMENT MANAGER'S REPORT (CONTINUED)

40%. Thus, not only did our companies maintain the strong profit growth seen in 2015, they even improved upon it. Taking into account the good absolute and relative performance of the fund in the quarter, we feel that the fund is just beginning to make up for the relative underperformance of 2015 versus the actual business growth our companies are witnessing. We would expect this positive tailwind to continue into the second half of 2016.

What Did Well in 2Q16?

Vietnam: 20.9% average weighting in 2Q16

- Our Vietnam small caps saw an impressive 24.3% return on capital in 2Q16.
- With Vietnam small caps lagging mid and large cap peers for some time, this good performance was overdue.
- Carphone Warehouse lookalike, **Mobile World**, led the pack as it finally recovered from an options issuance overhang, which is no longer a threat.

Smart Textiles: 5.7% average weighting in 2Q16

- Our smart textiles theme delivered a 20.6% return on capital in the quarter.
- **Best Pacific** dominated the positive returns in response to news of the company's expansion in China and the likelihood of winning new lace orders from Victoria Secret, which is a c.50% gross profit margin business.
- Taiwan yarn dyer, **Toung Loong Textile**, was sold owing to concerns about inventory rises and slowing growth in the sportswear sector.

Local Brands: 16% average weighting in 2Q16

- Local brands saw a return on capital of 14% in 2Q16.
- Philippine convenience store play, **Philippine Seven**, and casual dining operator, Max's, were both up over 20% as the consumer sector overall performed well, boosted by the election in the Philippines.
- Malaysian condom maker, **Karex**, suffered due to rising latex prices.

What Did Not Do Well in 2Q16?

Financialisation: 8.1% average weighting in 2Q16

- Shariah insurance company, **Syarikat Takaful**, saw flat earnings growth which disappointed.
- Online investment platform, **iFast**, continues to invest, but like many internet business models, with a negative impact on earnings to date.
- The long term investment case for both stocks is still intact and compelling.

Ecommerce: 2.6% average weighting in 2Q16

- This single stock theme, ecommerce, saw very minor negative returns.
- Growth for **PChome** continues to track ahead of consensus.
- We remain positive on **PChome**'s near and mid-term catalysts.

Outlook

Looking into the future, there are catalysts coming which we think could turn the fortunes of Asia, especially Hong Kong and China. Firstly, we expect imminently the announcement of the second tranche of the Hong Kong – China Stock Connect programme. The first round, announced in April 2014 and launched in November of the same year,

INVESTMENT MANAGER'S REPORT (CONTINUED)

acted as a catalyst for a 25% return for the Hong Kong index between April 2014 and mid June 2015, and a 163% return for the Shanghai index over the same period.

Secondly, we notice that some respected quantitative analysis shows very early signs that China's ROE is bottoming. ROEs in China have fallen steadily for the past 5 years, albeit with the occasional rally. The recent few months show a flattening of the trend and the ex-financials, ex-energy ROE has definitely turned. A meaningful improvement in ROEs in China could prove to be a powerful catalyst for the market, particularly as the consensus view is that a turnaround in China is unlikely to materialize any time soon. Thirdly, we have been on the road a lot since Brexit, which we believe will have a minimal impact on Asia unless Europe deteriorates further. Importantly, with the UK and Europe facing stronger headwinds, Asia is clearly becoming a more attractive prospect to international investors. Asia, at its most broad description, delivers about 60% of the world's growth, half of that from China, and the Asian index is just 9% above historic price to book lows.

Fourthly, it is possible that we will see another quantitative easing programme announced in Europe. In any event, we now expect that interest rates will stay low for longer. Should interest rates, globally, remain low for longer this creates a more supportive environment for interest rate cuts in India and Indonesia, where interest rates are still stubbornly high and have plenty of room to fall. Again, this would bode well for Asia in general and these two markets in particular.

Finally, whilst it may be an old fashioned concept, technical analysis at present is pointing to a chart breakout for Emerging Markets, which, according to CLSA, points to some 30% upside for Asian indices from here.

Prusik Investment Management LLP

25 August 2016

SCHEDULE OF INVESTMENTS

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock (31 December 2015: 95.20%)					
China (31 December 2015: 5.72%)					
	2,500,000	Best Pacific International Holdings Ltd.	1,271,981	1,852,484	4.02%
	1,322,000	HNA Infrastructure Co. Ltd.	1,445,545	1,427,651	3.10%
			2,717,526	3,280,135	7.12%
Hong Kong (31 December 2015: 9.10%)					
	11,450,000	Tongda Group Holdings Ltd.	1,544,853	2,228,071	4.83%
			1,544,853	2,228,071	4.83%
India (31 December 2015: 6.04%)					
	310,000	Inox Wind Ltd.	1,303,321	1,090,107	2.36%
	164,000	PVR Ltd.	939,820	2,453,139	5.32%
			2,243,141	3,543,246	7.68%
Malaysia (31 December 2015: 3.99%)					
	2,025,000	Karex Bhd	1,393,440	1,211,732	2.63%
	2,200,000	Syarikat Takaful Malaysia Bhd.	965,175	2,212,290	4.80%
			2,358,615	3,424,022	7.43%
Philippines (31 December 2015: 8.05%)					
	3,500,000	Max's Group, Inc.	2,537,453	2,163,247	4.69%
	1,189,825	Philippine Seven Corp.	1,092,572	3,121,010	6.77%
			3,630,025	5,284,257	11.46%
Singapore (31 December 2015: 8.77%)					
	1,532,500	iFAST Corp. Ltd.	1,532,159	1,126,922	2.44%
	1,740,000	Innovalues Ltd.	792,810	1,311,818	2.84%
			2,324,969	2,438,740	5.28%
South Korea (31 December 2015: 7.51%)					
	40,000	Hansol Technics Co. Ltd.	1,000,385	650,350	1.41%
	40,000	WeMade Entertainment Co. Ltd.	967,324	876,407	1.90%
	78,000	Woory Industrial Co. Ltd.	1,649,308	2,312,568	5.01%
			3,617,017	3,839,325	8.32%
Sri Lanka (31 December 2015: 2.42%)					
	710,000	Distilleries Co. of Sri Lanka PLC	1,091,496	1,010,107	2.19%
			1,091,496	1,010,107	2.19%
Taiwan (31 December 2015: 11.32%)					
	256,000	Hota Industrial Manufacturing Co. Ltd.	978,022	1,193,455	2.59%
	106,000	PChome Online, Inc.	1,027,248	1,166,229	2.53%
	75,000	Tung Thih Electronic Co. Ltd.	657,366	1,198,117	2.60%
	600,000	Wistron NeWeb Corp.	1,566,455	1,530,979	3.32%
			4,229,091	5,088,780	11.04%

SCHEDULE OF INVESTMENTS (CONTINUED)

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock (31 December 2015: 95.20%) (continued)					
Thailand (31 December 2015: 6.45%)					
	2,600,000	Amata VN PCL	681,764	651,110	1.41%
	2,004,700	Major Cineplex Group PCL	1,580,151	1,882,615	4.08%
			2,261,915	2,533,725	5.49%
United States (31 December 2015: 2.56%)					
	118,000	Bizlink Holding, Inc.	535,813	722,475	1.57%
			535,813	722,475	1.57%
Vietnam (31 December 2015: 20.40%)					
	132,160	Cotec Construction JSC	587,222	1,143,550	2.48%
	1,322,500	FPT Corp.	1,739,231	2,478,391	5.37%
	1,495,000	Hoa Binh Construction & Real Estate Corp.	966,417	1,454,450	3.15%
	656,687	Mobile World Investment Corp.	3,001,031	3,621,273	7.85%
	1,380,000	Refrigeration Electrical Engineering Corp.	807,742	1,268,325	2.75%
			7,101,643	9,965,989	21.60%
		Total Common Stock	33,656,104	43,358,872	94.01%
		Total Fair Value of Investments	33,656,104	43,358,872	94.01%

Forward Foreign Currency Contracts (31 December 2015: (0.12%))

Currency Bought	Amount Bought	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss)	% of Net Assets
SGD	1,792,111	USD	(1,320,185)	14/09/2016	Brown Brothers Harriman	10,403	0.02%
Total unrealized gains on Forward Foreign Currency Contracts						10,403	0.02%
Total Financial Assets at Fair Value through Profit or Loss						43,369,275	94.03%
GBP	3,191,331	USD	(4,515,159)	14/09/2016	Brown Brothers Harriman	(220,778)	(0.48%)
Total unrealized losses on Forward Foreign Currency Contracts						(220,778)	(0.48%)
Total Financial Liabilities at Fair Value through Profit or Loss						(220,778)	(0.48%)
						Value USD	% of Net Assets
Cash						3,141,083	6.81%
Other Net Liabilities						(166,465)	(0.36%)
Net Assets Attributable to Holders of Redeemable Participating Shares						46,123,115	100.00%

BALANCE SHEET

	Notes	As at 30 June 2016 USD	As at 31 December 2015 USD
Assets			
Financial assets, at cost		33,656,104	43,599,383
Financial assets at fair value through profit or loss			
- Transferable securities		43,358,872	47,703,668
- Warrants		–	–
- Financial derivative instruments		10,403	57,756
Cash		3,141,083	2,671,411
Margin cash due from broker		326	326
Dividends receivable		21,907	–
Other assets		–	11,492
Total assets		46,532,591	50,444,653
Liabilities			
Financial liabilities at fair value through profit or loss			
- Financial derivative instruments		220,778	117,696
Redemptions payable		–	18,746
Investment management fees	2	53,597	61,851
Administration fees	3	17,194	25,147
Depositary fees	4	23,210	30,493
Directors' fees	5	13,916	10,575
Audit fees		10,403	8,035
Performance fees	2	10,912	2,087
Professional fees		54,833	58,550
Other liabilities		4,633	3,262
Total liabilities		409,476	336,442
Net Assets Attributable to Holders of Redeemable Participating Shares		46,123,115	50,108,211

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

BALANCE SHEET (CONTINUED)

	Notes	As at 30 June 2016	As at 31 December 2015
Class A Dollar Non-Distributing Class			
Net Assets		USD 26,312,754	USD 28,569,944
Outstanding Redeemable Participating Shares	1	173,673	205,235
Net Asset Value per Share		USD 151.51	USD 139.21
Class B Dollar Distributing Class			
Net Assets		USD 10,145,553	USD 8,722,088
Outstanding Redeemable Participating Shares	1	66,918	62,614
Net Asset Value per Share		USD 151.61	USD 139.30
Class C Sterling Distributing Class			
Net Assets		GBP 3,400,252	GBP 3,143,814
Outstanding Redeemable Participating Shares	1	42,604	42,841
Net Asset Value per Share		GBP 79.81	GBP 73.38
Class D Singapore Dollar Distributing Class			
Net Assets		SGD 1,901,236	SGD 6,569,786
Outstanding Redeemable Participating Shares	1	9,082	34,072
Net Asset Value per Share		SGD 209.33	SGD 192.82
Class E Singapore Dollar Distributing Class			
Net Assets		SGD 1,897,675	SGD 1,816,263
Outstanding Redeemable Participating Shares	1	13,820	13,820
Net Asset Value per Share		SGD 137.32	SGD 131.43
Class U Sterling Unhedged Distributing Class			
Net Assets		GBP 1,687,718	GBP 1,500,534
Outstanding Redeemable Participating Shares	1	16,469	17,480
Net Asset Value per Share		GBP 102.48	GBP 85.84

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

PROFIT AND LOSS ACCOUNT

	Notes	For the period ended 30 June 2016 USD	For the period ended 30 June 2015 USD
Investment income			
Dividend income		464,007	1,328,570
Interest income		1,150	843
Miscellaneous income		37,943	10,971
Net realised (loss)/gain on financial assets and liabilities at fair value through profit or loss		(2,222,356)	6,982,580
Movement in net unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss		5,448,134	(2,738,903)
Total income		3,728,878	5,584,061
Expenses			
Investment management fees	2	320,013	975,009
Administration fees	3	47,692	54,966
Depositary fees	4	27,354	76,685
Directors' fees	5	20,040	14,212
Audit fees		11,440	–
Professional fees		61,090	55,944
Performance fees	2	9,549	107,506
Transaction costs		73,034	699,960
Other expenses		212	19,079
Total expenses		570,424	2,003,361
Net income before finance costs		3,158,454	3,580,700
Finance costs			
Overdraft interest		–	(9,476)
Indian capital gains tax		–	(265,574)
Total finance costs		–	(275,050)
Withholding tax on dividends		(15,859)	(44,614)
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations		3,142,595	3,261,036

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

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

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

	For the period ended 30 June 2016 USD	For the period ended 30 June 2015 USD
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations	3,142,595	3,261,036
Capital Share Transactions of Redeemable Participating Shares		
Proceeds from issuance of Redeemable Participating Shares	2,309,849	6,208,176
Payments on redemption of Redeemable Participating Shares	(9,437,540)	(96,678,689)
Net decrease from Capital Share Transactions of Redeemable Participating Shares	<u>(7,127,691)</u>	<u>(90,470,513)</u>
Change in Net Assets Attributable to Holders of Redeemable Participating Shares	(3,985,096)	(87,209,477)
Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the period	50,108,211	167,685,569
Net Assets Attributable to Holders of Redeemable Participating Shares at the end of the period	<u>46,123,115</u>	<u>80,476,092</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 Act 2014 and the Central Bank (Supervision and Enforcement) Act 2013 (section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (S.I. No. 420 of 2015) (the “Central Bank UCITS Regulations”). The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention, as modified by the reduction of financial assets and financial liabilities at fair value through profit or loss, and they comply with accounting standards issued by the Financial Reporting Council (“FRC”), as promulgated by the Institute of Chartered Accountants in Ireland. Financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

FRS 102: “The financial reporting standard applicable in the UK and Republic of Ireland” is effective for accounting periods beginning on or after 1 January 2015 and replaces the accounting standards under which the financial statements of the Company were previously prepared. These unaudited condensed financial statements have been prepared in accordance with the new standard for interim statements, FRS 104 “Interim Financial Reporting”, and should be read in conjunction with the audited financial statements for the year ended 31 December 2015. FRS 104 is effective for interim reporting periods commencing on or after 1 January 2015. The information required to be included in the Statement of Total Recognised Gains and Losses and a Reconciliation of Movements in Shareholders Funds, is, in the opinion of the Directors contained in the Profit and Loss account and the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares on pages 10 and 11, respectively.

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

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

(i) Classification

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

Financial assets and financial liabilities held for trading

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

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

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

(ii) Recognition

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

Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss are included in the Profit and Loss Account in the period 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”

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(iii) Derecognition

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

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

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

The Company derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

(iv) Initial Measurement

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

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

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

(v) Subsequent Measurement

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

Cash and other Liquid Assets

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Derivative Instruments

Derivative instruments traded on a regulated market shall be valued at the settlement price as determined by the market. If the settlement price is not available, the value shall be the probable realisation value estimated with care and in good faith by (i) the Directors or the Investment Manager or (ii) a competent person, firm or corporation selected by the Directors and approved for the purpose by the Depositary 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 Depositary). 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 Depositary. Apart from forward foreign currency contracts as at 30 June 2016 and 30 June 2015 the Company did not hold any derivative instruments.

Forward Foreign Currency Contracts

Forward foreign currency contracts shall be valued in the same manner as derivatives contracts which are not traded in a regulated market or by reference to the price at the Valuation Point at which new forward contract of the same size and maturity could be undertaken. The forward foreign currency contracts held by the Company as at 30 June 2016 are included in the Schedule of Investments.

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 30 June 2016 the Company did not hold any collective investment schemes units.

Warrants

The Company may invest in warrants. Warrants which are fully paid up and have a zero strike price exhibit the identical risk and return characteristics as in the case where the Company had acquired the underlying equity directly. Such warrants are valued at the last traded price for the underlying equity quoted on the stock exchange or principal market on which it is listed. As at 30 June 2016, the Company did not hold any warrants.

Distributions Payable to Holders of Redeemable Participating Shares

The Company received Reporting Fund Status from HMRC with effect from 1st January 2010 (the Company 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 30 June 2016 and 30 June 2015 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Transactions and Balances

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

Investment Transactions and Investment Income

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

Interest Income and Interest Expenses

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

Dividend Income

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

Transaction Costs

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

Expenses

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

NOTES TO THE FINANCIAL STATEMENTS

1. Share Capital

Authorised

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

Non-Participating Shares

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

Redeemable Participating Shares

The net assets attributable to holders of Redeemable Participating Shares are at all times equal to the NAV of the Company. Redeemable Participating Shares are redeemable at the Shareholder’s option and are classified as Financial Liabilities under FRS 102 “Financial Instruments: Disclosure and Presentation” (“FRS 102”) as they can be redeemed at the option of the Shareholder. Net Assets Attributable to Holders of Redeemable Participating Shares represent a liability in the Balance Sheet, carried at the redemption amount that would be payable at the balance sheet date if a Shareholder exercised the right to redeem. Consequently the differences adjust the carrying amount of Net Assets Attributable to Holders of Redeemable Participating Shares and are recognised in the Profit and Loss Account.

The movement in the number of redeemable participating shares for the period ended 30 June 2016 is as follows:

	Class A Dollar Non-Distributing Class Shares	Class B Dollar Distributing Class Shares	Class C Sterling Distributing Class Shares
At the beginning of the period	205,235	62,614	42,841
Redeemable Participating Shares issued	–	15,705	–
Redeemable Participating Shares redeemed	(31,562)	(11,401)	(237)
At the end of the period	173,673	66,918	42,604

	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 period	34,072	13,820	17,480
Redeemable Participating Shares issued	–	–	927
Redeemable Participating Shares redeemed	(24,990)	–	(1,938)
At the end of the period	9,082	13,820	16,469

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Share Capital (continued)

The movement in the number of redeemable participating shares for the period ended 30 June 2015 is as follows:

	Class A Dollar Non-Distributing Class Shares	Class B Dollar Distributing Class Shares	Class C Sterling Distributing Class Shares
At the beginning of the period	440,944	79,206	104,743
Redeemable Participating Shares issued	3,791	–	–
Redeemable Participating Shares redeemed	(212,194)	(13,975)	(61,163)
At the end of the period	232,541	65,231	43,580

	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 period	400,858	13,179	20,623
Redeemable Participating Shares issued	3,379	–	34,223
Redeemable Participating Shares redeemed	(302,478)	–	(1,249)
At the end of the period	101,759	13,179	53,597

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. Investment Management Fees

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

The Investment Manager receives from the Company a fee of 1.5% per annum of the NAV of the Company together with Value Added Tax (“VAT”), if any, on such fee 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 USD320,013 during the period ended 30 June 2016 (USD975,009: 30 June 2015), of which USD53,597 is outstanding at the period end (USD61,851: 31 December 2015).

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Investment Management Fees (continued)

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 USD9,549 was earned during the period ended 30 June 2016 (USD107,506: 30 June 2015), which includes USDNil due to the issuance of redeemable participating shares in exchange for cancellation of performance fee equalisation credits (USDNil: 30 June 2015). The performance fee outstanding at the period end was USD10,912 (USD2,087: 31 December 2015).

3. 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 USD250 per month. The Administrator is also entitled to receive registration fees and transaction and reporting charges at normal commercial rates which shall accrue daily and be paid monthly in arrears.

The Administrator is also 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 USD47,692 during the period ended 30 June 2016 (USD54,966: 30 June 2015), of which USD17,194 is outstanding at the period end (USD25,147: 31 December 2015).

4. Depositary Fees

The Company pays Brown Brothers Harriman Fund Administration Services (Ireland) Limited (the “Depositary”) the Depositary 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-depositary appointed by the Depositary. The Depositary fees are payable monthly in arrears, subject to a minimum charge of USD36,000 per Fund per annum.

The Depositary 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-depositary appointed by it which shall be at normal commercial rates together with VAT, if any, thereon.

The Depositary earned a fee of USD27,354 during the period ended 30 June 2016 (USD76,685: 30 June 2015), of which USD23,210 is outstanding at the period end (USD30,493: 31 December 2015).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Directors' Fees

The Directors of the Company are entitled to a fee in remuneration for their services of EUR15,000 each (plus VAT, if any) per annum. In addition, the Directors are entitled to special remuneration if called upon to perform any special or extra services to the Company. All Directors are entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties. Heather Manners and Anthony Morris have waived their entitlement to Directors fees (as disclosed in Note 6).

The Directors earned fees of USD20,040 during the period ended 30 June 2016 (USD14,212: 30 June 2015), of which USD13,916 is outstanding at the period end (USD10,575: 31 December 2015).

6. 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 period ended 30 June 2016.

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

The following Directors and related parties held Shares in the Company as at 30 June 2016:

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
Thomas Naughton (Partner of the Investment Manager)	2,731	Class E Singapore Dollar Distributing Class
Tony Morris	2,500	Class E Singapore Dollar Distributing Class
Tony Morris (Spouse)	287	Class E Singapore Dollar Distributing Class
Richard Hayes	2,753	Class E Singapore Dollar Distributing Class

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Related Party	Shares held	Share Class
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Prusik Investment LLP	83	Class E Singapore Dollar Distributing Class
Thomas Naughton (Partner of the Investment Manager)	2,731	Class E Singapore Dollar Distributing Class
Tony Morris	2,500	Class E Singapore Dollar Distributing Class
Tony Morris (Spouse)	287	Class E Singapore Dollar Distributing Class
Richard Hayes	2,753	Class E Singapore Dollar Distributing Class

7. Taxation

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Taxation (continued)

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.

8. Financial Risk Management

Fair Value Estimation

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

The fair value hierarchy has the following levels:

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Financial Risk Management (continued)

Fair Value Estimation (continued)

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 30 June 2016 and 31 December 2015:

As at 30 June 2016

Prusik Asian Smaller Companies Fund plc

Financial Assets at Fair Value Through Profit or Loss

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Common Stock	43,358,872	–	–	43,358,872
Forward Foreign Currency Contracts	–	10,403	–	10,403
Total Assets	43,358,872	10,403	–	43,369,275

Financial Liabilities at Fair Value Through Profit or Loss

Forward Foreign Currency Contracts	–	(220,778)	–	(220,778)
Total Liabilities	–	(220,778)	–	(220,778)

As at 31 December 2015

Financial Assets at Fair Value Through Profit or Loss

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Common Stock	47,703,668	–	–	47,703,668
Forward Foreign Currency Contracts	–	57,756	–	57,756
Total Assets	47,703,668	57,756	–	47,761,424

Financial Liabilities at Fair Value Through Profit or Loss

Forward Foreign Currency Contracts	–	(117,696)	–	(117,696)
Total Liabilities	–	(117,696)	–	(117,696)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Portfolio Analysis

As at 30 June 2016	Market Value USD	% of Total Assets
Transferable securities admitted to an official exchange listing	43,358,872	93.18
Financial derivative instruments (Forward Contracts)	(210,375)	(0.45)
Net financial assets at fair value through profit or loss	43,148,497	92.73
As at 31 December 2015	Market Value USD	% of Total Assets
Transferable securities admitted to an official exchange listing or dealt on another regulated market	47,703,668	94.57
Financial derivative instruments (Forward Contracts)	(59,940)	(0.12)
Net financial assets at fair value through profit or loss	47,643,728	94.45

10. Soft Commission Agreements

During the period ended 30 June 2016, the Investment Manager entered into soft commission arrangements with brokers/dealers in respect of which certain services used to support the investment decision process were received. The Investment Manager does not make direct payment for these services but does transact an agreed amount of business with the brokers on behalf of the Company and commission is paid on these transactions.

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

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

11. Efficient Portfolio Management

During the period ended 30 June 2016 the Company did not hold any instruments for the purposes of efficient portfolio management.

12. Exchange Rates

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

	30 June 2016	31 December 2015
Australian Dollar	1.3430	1.3671
British Pound Sterling	0.7435	0.6750
Euro	0.8986	0.9163
Hong Kong Dollar	7.7599	7.7509
Indian Rupee	67.5250	66.1550
Malaysian Ringgit	4.0275	4.2935
Philippine Peso	47.0820	46.8540
Singapore Dollar	1.3463	1.4129
Sri Lankan Rupee	145.6400	144.2500
South Korean Won	1,150.1500	1,176.3900
Taiwan Dollar	32.1755	32.8755
Thailand Baht	35.1400	36.0200
Vietnamese Dong	22,305.0000	22,485.0000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Comparatives

The comparative figures are for the period ended 30 June 2015 for the Condensed Profit and Loss Account and the Condensed Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares, and as at 31 December 2015 for the Condensed Balance Sheet.

14. Remuneration

The European Union Directive 2014/91/EU (known as “UCITS V Directive”) came into effect on 21 March 2016. The Company operates a remuneration policy in accordance with applicable UCITS requirements and which is set out in the Company’s Remuneration Policy dated 18 March 2016 which can be found at www.prusikim.co.uk and is referred to in the current Prospectus.

Details of the Company’s remuneration and associated financial disclosures will be made within the annual report for the year ended 31 December 2016.

15. Significant Events during the Period

Brown Brothers Harriman, the Custodian of the Company, was reappointed as Depositary following the UCITS V changes effective from 21 March 2016.

There are no other events during the period ended that had a material effect on the unaudited condensed financial statements.

16. Events since the Period End

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

17. Approval of Financial Statements

The unaudited financial statements were approved by the Board of Directors on 25 August 2016.

STATEMENT OF SIGNIFICANT CHANGES IN THE COMPOSITION OF PORTFOLIO

In accordance with the Central Bank (Supervision and Enforcement) Act 2013 (section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (S.I. No. 420 of 2015) (the “Central Bank UCITS Regulations”) a statement of changes in the composition of the portfolio during the reporting period is provided to ensure that Shareholders can identify changes in the investments held by the Company. These statements present the aggregate purchases and sales of transferable securities exceeding 1% of the total value of purchases and sales for the period. At a minimum the largest 20 purchases and 20 sales must be given.

Major Purchases for the period ended 30 June 2016

Security Description	Acquisitions Nominal	Cost USD
Wistron NeWeb Corp.	600,000	1,563,328
Karex Bhd	1,350,000	1,389,733
Inox Wind Ltd.	310,000	1,299,066
WeMade Entertainment Co. Ltd.	40,000	965,393
Amata VN PCL	2,600,000	680,332

Major Sales for the period ended 30 June 2016

Security Description	Disposals Nominal	Proceeds USD
Tung Thih Electronic Co. Ltd.	110,000	1,745,770
Toung Loong Textile Manufacturing	650,000	1,609,980
Praemium Ltd.	7,012,411	1,476,376
Danang Rubber JSC	792,000	1,456,905
Innovalues Ltd.	1,760,000	1,252,318
Wasion Group Holdings Ltd.	2,000,000	1,230,582
Major Cineplex Group PCL	1,300,000	1,092,581
iFAST Corp. Ltd.	1,003,400	937,893
Credit Analysis & Research Ltd.	52,000	698,228
Refrigeration Electrical Engineering Corp.	600,000	634,832
Eros International PLC	80,000	594,528
Interpark Holdings Corp.	100,000	533,337
Tongda Group Holdings Ltd.	2,550,000	499,160

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
33 Sir John Rogerson's Quay
Dublin 2
Ireland

**INVESTMENT MANAGER
AND DISTRIBUTOR**

Prusik Investment Management LLP
6th Floor Moss House
15-16 Brook's Mews
London, W1K 4DS
United Kingdom

ADMINISTRATOR

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

INDEPENDENT AUDITOR

Ernst & Young
Harcourt Street
Dublin 2
Ireland

DEPOSITARY

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

COMPANY SECRETARY

Tudor Trust Limited
33 Sir John Rogerson's Quay
Dublin 2
Ireland

LEGAL ADVISERS IRELAND

Dillon Eustace
33 Sir John Rogerson's Quay
Dublin 2
Ireland

LEGAL ADVISERS UNITED KINGDOM

Simmons & Simmons
One Ropemaker Street
London EC2Y 9SS
United Kingdom