PRUSIK UMBRELLA UCITS FUND PLC

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

Prusik Asian Equity Income Fund

Annual Report and Audited Financial Statements
For the Financial Year Ended 31 December, 2016

Registered Number: 491099

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GENERAL INFORMATION

Prusik Umbrella UCITS Fund plc (the "Company") is an open-ended umbrella investment company with variable capital and segregated liability between sub-funds, incorporated on 5 November 2010 in Ireland pursuant to Part 24 of the Companies Act 2014 and authorized by the Central Bank of Ireland (the "Central Bank") under 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), as amended (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.

There is one Fund in existence as at 31 December 2016, the Prusik Asian Equity Income Fund (the "Fund") which was launched on 22 December 2010 as a sub-fund of the Company.

There are nine share classes available to investors of the Company:

- Class 2 X US Dollar Distributing Class (first issued on 30 March 2012)
- Class 2 Y Sterling Distributing Class (first issued on 30 March 2012)
- Class 2 Z Singapore Dollar Distributing Class (first issued on 30 March 2012)
- Class A US Dollar Non-Distributing Class (first issued on 25 March 2012)
- Class B US Dollar Distributing Class (first issued on 31 December 2010)
- Class C Sterling Distributing Class (first issued on 21 January 2011)
- Class D Singapore Dollar Distributing Class (first issued on 31 December 2010)
- Class E Singapore Dollar Distributing Class (first issued on 23 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 daily ("Dealing 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 Fund is to generate a combination of income and capital growth primarily by investing in equities and other securities of companies operating in, and governmental issuers located in the Asian region and elsewhere.

In pursuit of its investment objective the Fund invests in companies operating in Asia including Australia, New Zealand, Hong Kong, Taiwan, South Korea, China, India, Sri Lanka, Pakistan, Thailand, Indonesia, Malaysia, Singapore and the Philippines and generally seeks to invest in companies that can be bought at an attractive discount to their intrinsic value and generate income above average dividend yields. The Fund pursues its investment objective primarily by taking long positions in publicly traded common stocks and other equity securities of Asian issuers.

The Fund 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 Fund 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 (subject to a maximum of 10% of the NAV in unlisted securities), 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).

The Fund may invest in both short and long term Asian and foreign debt securities (such as fixed and/or floating rate bonds, notes and convertible bonds) of corporate issuers and government entities. The debt and other fixed income securities in which the Fund may invest will be of investment grade.

GENERAL INFORMATION (CONTINUED)

Investment Objective (continued)

The Fund may also invest in certain securities or markets, using forms of indirect investment including, participation notes on the underlying securities and 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 Fund may utilize techniques for efficient portfolio management and/or to protect against exchange risks, subject to the conditions and within the limits laid down by the Central Bank. These techniques and instruments include but are not limited to futures, options, forward foreign exchange contracts, interest and exchange rate swap contracts, stock lending and repurchase and reverse repurchase agreements.

Pending investment of the proceeds of a placing or offer of Shares or where market or other factors so warrant, the Fund'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 Recognized Markets and in cash deposits.

The annual report and audited financial statements and audited 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 Umbrella UCITS Fund plc (the "Company") for the financial year ended 31 December 2016.

The Company is organised in the form of an umbrella fund with segregated liability between sub-funds and currently has one sub-fund, the Prusik Asian Equity Income Fund (the "Fund"), in existence at the year end.

Directors' Responsibility Statement

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

Irish company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the assets, liabilities and financial position 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.

The Directors are responsible for keeping adequate accounting records 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 Act 2014 (the "Companies Act") 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), as amended (the "Central Bank 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.

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.

Accounting Records

The measures taken by the Directors to secure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at Brown Brothers Harriman Fund Administration Services (Ireland) Limited, 30 Herbert Street, Dublin 2, Ireland.

Directors' Compliance Statement

It is the policy of the Company to comply with its relevant obligations (as defined in the Companies Act 2014). As required by Section 225(2) of the Companies Act 2014, the Directors acknowledge that they are responsible for securing the Company's compliance with the relevant obligations. The Directors have drawn up a compliance policy statement as defined in Section 225(3)(a) of the Companies Act 2014 which refers to the arrangements and structures that are in place and which are, in the Directors' opinion, designed to secure material compliance with the Company's relevant obligations. In discharging their responsibilities under Section 225, the Directors relied upon, among other things, the services provided, advice and representations from third parties whom the Directors believe have the requisite knowledge and experience in order to secure material compliance with the Company's relevant obligations.

Statement of Relevant Audit Information

The Directors in office at the date of this report have each confirmed that:

- as far as the Directors are aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

Directors

The names of the persons who were Directors at any time during the year to 31 December 2016 are set out below.

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

Directors' and Secretary's Interests

The following Directors held Shares in the Company as at 31 December 2016:

Heather Manners (Director)	241	Class E Singapore Dollar Distributing Class
Tony Morris (Director)	7,500	Class E Singapore Dollar Distributing Class
Tony Morris (Spouse)	265	Class C Sterling 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 2016 or during the year.

Audit Committee

The Board of Directors decided it was not necessary to constitute an audit committee given the frequency of the meetings of the Board of Directors throughout the year and given the size of the Board of Directors and the nature, scale and complexity of the Company and its activities.

Connected Parties

In accordance with the Central Bank UCITS Regulations, any transaction carried out with the Company by the Investment Manager, the Depositary 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 assets, liabilities and financial position of the Company and results for the year ended 31 December 2016 are set out on pages 28 to 30. The Net Assets Attributable to Holders of Redeemable Participating Shares as at 31 December 2016 was US Dollar ("USD") 772,240,131 (USD 797,388,345: 31 December 2015).

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"). As a consequence of the investment management fees and expenses being charged to the capital of the Fund, the capital may be eroded and the income of the Fund shall be achieved by foregoing the potential for future capital growth. Distributions made during the life of the Fund must therefore be understood as a type of capital reimbursement. Distributions paid during the year ended 31 December 2016 amounted to USD 31,853,283 (31,449,150: 31 December 2015).

Risk Management

The risks defined by Financial Reporting Standard FRS 102 "Financial Instruments: Disclosures" ("FRS 102"), 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 and how they are monitored, and where possible, managed by the Company, are set out in Note 13 "Financial Risk Management" on pages 42 to 47.

Segregated Liability

The Company was established as an open-ended umbrella type investment company with variable capital and segregated liability between sub-funds.

Independent Auditors

The independent auditors, Ernst & Young Chartered Accountants, have indicated their willingness to continue in office in accordance with section 383(2) of the Companies Act, 2014.

Events during the Year

In order to present performance data of the Fund in a more transparent manner, from 31 March 2016, a change has been made in the Performance Index used in the calculation of performance data from MXAPJ to the MSCI Asia Pacific ex-Japan Gross Return USD Index ("M2APJ").

Brown Brothers Harriman Trustee Services (Ireland) Limited, the Custodian of the Company, was reappointed as Depositary following the UCITS V changes, effective from 21 March 2016. The Fund's Prospectus has been updated accordingly on 31 March 2016. There were no other significant updates in the Prospectus.

There were no other events during the year that had a material effect on the financial statements.

Events since the Year End

There were no events since 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 Act as applicable to investment funds and the Central Bank UCITS Regulations. The Board of Directors (the "Board") voluntarily adopted the Corporate Governance Code for Irish Domiciled Collective Investment Schemes as published by Irish Funds (the "IF Code") which came into effect on 1 January 2012. The Board has assessed the measures included in the IF 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.

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.

Corporate Governance Statement (continued)

Financial Reporting Process - Description of Main Features (continued)
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 Depositary, Investment Manager and Administrator. The Board relies on the Administrator's process to ensure that appropriate measures are taken to consider and address any 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.

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 Act 2014 as applicable to investment funds and the Central Bank UCITS Regulations. 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 to the Administrator and the investment management and distribution functions to the Investment Manager.

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.

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

Shareholder Meetings (continued)
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 as required by the Irish Stock Exchange Listing Rules for investment funds. The Directors may be removed by the shareholders by ordinary resolution in accordance with the procedures established under the Companies Act. The Board meets at least quarterly. There are no sub-committees of the Board.

On behalf of the Board of Directors

Richard Hayes
Director
20 April 2017

David Hammond
Director

INVESTMENT MANAGER'S REPORT

2016 Review

The fund rose by 10.4% in 2016 outperforming the MSCI Asia Pacific ex-Japan index which rose by 7.1%. Over the 6 years since the fund was launched the fund has risen by 110.1% compared to the market which has increased by 7.9%. 2016 marks the sixth consecutive year of outperformance although the market environment in the second half of 2016 was one of the most challenging for a value driven, quality biased strategy in Asia given the huge re-rating of low quality stocks versus the de-rating of high quality and "bond proxy" positions.

New Positions

Zhejiang Expressway

We have owned this company before but to recap: **Zhejiang Expressway** is a Chinese toll road operator which owns a number of roads in Zhejiang province. The roads it owns are shown below in red. The bulk of the value of the company is in the toll road operation but the company also owns a 52% stake in a securities broker (which management have been trying to IPO). Like many companies in China, **Zhejiang's** management have had some issues with regards to sticking to their core business but they are realising that diversification causes more problems than it solves and they are, by and large, focused on their core business.

Valuation

- We value the securities business at book value (this is approximately 10% of total valuation)
- The company is in a net cash position (incredible for a toll road company which are normally geared to within an inch of their lives)
- We assume low single digit traffic growth and no increase in tolls
- We calculate there is 60% upside to fair value
- If you strip out the value of the cash and securities, the implied equity IRR for the toll road is 18%. This compares to equity IRRs of 6-8% for European/US toll roads
- It has a dividend yield of 5.8% and trades on a P/E of 10x earnings

Risks

- Although management have stated that they do not want to expand into any more new business areas, it is still a risk that they do
- Government policy is always a risk. Recently, the Zhejiang government banned the company from placing advertising along its roads. The government also retains considerable power over setting tolls and the process for doing so is opaque
- Competing roads: the company has been negatively affected by two competing expressways– this might happen again

Upside Surprises

- The government has announced a new "Toll Road Management Ordinance" which should lead to the company being compensated for revenue losses caused by government policies (e.g. toll free travel during holidays). It also allows for the extension of concessions in excess of 30 years which has not been done before. It is expected that the company should get a concession extension for the expansion of the Shanghai-Ningbo-Hangzhou road (from 4 lanes to 8 lanes at a cost of RMB4.3bn) which was completed in 2008 but **Zhejiang** was not compensated for. All this potentially adds 5-10% to the valuation
- The weaker economy reduces the ability for roads that do not make financial sense to be constructed thus reducing diversion risk
- If there is a boom in the A-share market **– Zhejiang Expressway** owns a securities broker!

Sun Hung Kai Properties

This is the second time we have invested in **Sun Hung Kai Properties** (we also owned the stock in 2013). **Sun Hung Kai Properties is** one of Hong Kong's oldest real estate companies and operates in the residential development sector as well as owning a number of office and retail assets in Hong Kong and China.

Real estate development is a very lumpy business and the market tends to value the stock on an NAV basis which values the DCF on each property project. Owing to the fact that most people expect real estate valuations to fall over the next several years, we have stress tested the NAV and assumed that valuations fall by 43% due to a weaker Chinese economy, higher US rates and therefore lower asset prices. We assume some areas fall more than others depending on the cyclicality.

Even under this scenario, the stock price only has 5% downside on our estimates.

If prices stay at around these levels then we estimate 46% upside.

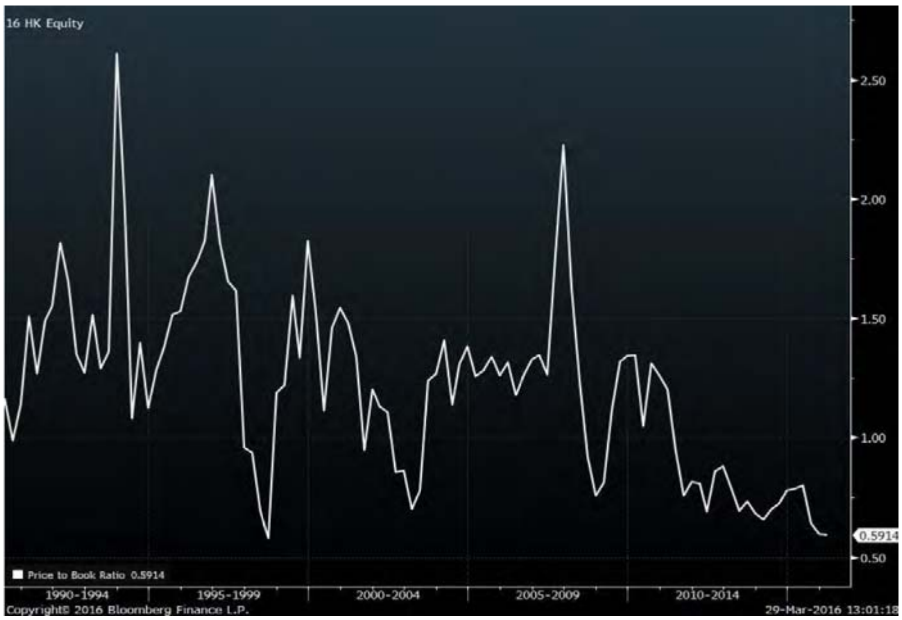
Downside Risks

- Real estate prices fall by 30-40% and the stock price continues to trade at 50% discount to valuation
- CNY devalues
- US rates move up substantially which pressures cap rates (so even if rentals stay strong then valuations will fall)
- Clearly it is a "loser" from the low growth/deflation scenario. Not the most comfortable stock to hold from a portfolio construction viewpoint as it has a high beta to the downside

Potential Upside Risks

- The company buys back shares or pays a higher dividend
- The office market is very strong in Hong Kong as vacancy rates are low and supply is minimal which could mean there is upside to the Hong Kong office valuation
- Rentals for shopping malls are far less volatile than high street rents so do not assume that rents in tourist heavy Tsim Sha Tsui falling 50-75% means that mall rents will be similarly impacted
- We think the stock price should recover to above HK$100 (compared to purchase price of HK$80) even if the market stays weak given the 50% discount to NAV that the stock trades at

Price to Book Ratio at 26 Year Low



Source – Bloomberg

Dividend Yield at all-time high (4.3% at purchase price)

Source - Bloomberg

Cheung Kong Infrastructure

Cheung Kong Infrastructure is a Hong Kong based, global infrastructure company run by Victor Li, son of Li Ka Shing. Created in 1996, it prefers to invest in low risk markets with sound regulatory structures and legal frameworks. The majority of its assets are located in the UK, Australia and Hong Kong. It has historically been an intelligent acquirer of assets and its unique structure gives it certain tax advantages over its competitors

Attractions

- **The cash flows are very secure (80% are regulated) and are protected from inflation and higher rates**. If rates increase, this feeds through into higher regulated returns.
- Strong growth in dividends over time.
- Good track record in acquisitions.
- They can structure deals in Australia and the UK using shareholder loans. Because they generally own only 40% of the assets and the rest is owned by CK group companies, they are allowed to offset the interest from these shareholder loans against tax. Because interest income is tax free in Hong Kong, they can also avoid paying tax on it when they repatriate the income. This means they can pay more than their competitors for the same assets and achieve the same post tax equity IRR.

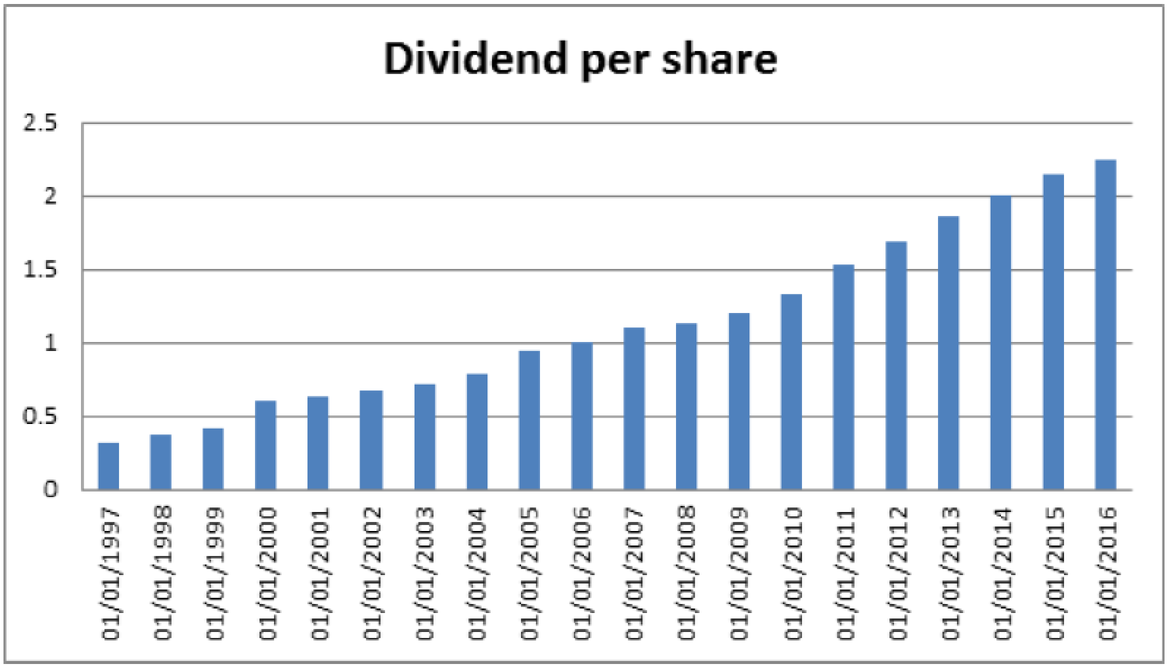
Why is it cheap?

The stock is cheap for three main reasons:

- It is a low risk utility stock and therefore has been out of favour in recent months.
- The weakness of GBP (60% of its assets are in the UK).
- Some concern about the Hong Kong Scheme of Control agreement being renegotiated (although Hong Kong Electric is only 6% of NAV).

Dividends

- The company has a strong track record in growing dividends. The DPS has increased at 10% CAGR over the past 20 years and has increased the dividend every year by at least 3%.



Source – Bloomberg

Crown Resorts

- **Crown Resorts is an Australian casino operator** with properties in Melbourne and Perth.
- The company was founded by the Kerry Packer but is now run by his son James. He bought the original Melbourne casino out of bankruptcy around 25 years ago.
- James Packer has diversified into various businesses outside Australia such as Macau (with Melco) and Vegas with mixed success.
- These have not proved to be particularly profitable investments but the company appears to have learned from this and is now restructuring.
- The main asset is the Crown Melbourne which operates a state monopoly (only casino allowed to operate in Victoria). Although it has recently announced weaker than expected results, it is a high-quality asset that should grow strongly over time and will benefit from growing Chinese tourism.
- They also own the Crown Perth which is in a weaker position due to the poor economic conditions in Western Australia (due to the mining slowdown).
- The domestic casinos produce EBITDA of around $800m (after corporate costs) and free cash flow after all capex of around $500-600m. Cash flows should grow at a mid to high single digit rate.
- The international business includes several different assets but the largest of these is a stake in Melco Crown Entertainment, a Macau based casino listed on the Nasdaq.

Why is it interesting?

- Two main reasons:
  1. The Chinese government announced that it had arrested several Crown employees (allegedly for drumming up business in China which is illegal) and this caused the stock to drop dramatically. Approximately 20% of the revenues are from VIPs and 10-15% of the profits and we believe the drop is an overreaction.
  2. The company announced a proposed restructuring (which has since been amended) which signalled that the company was planning to spin off its international operations and return to focusing on generating cash flow (and dividends) from its domestic casinos. We believe this will be positive for the rating of the company.

K-Electric

Source: Author's own photo from trip to Karachi

Investment Case

- **K-Electric** is an attractive investment that benefits from the growth in the Pakistan economy and, in particular, the improving conditions in the power industry.
- It is an integrated electricity company that generates, transmits and distributes power in Karachi.
- The current owner (UAE private equity firm Abrajj) have done an excellent job of increasing efficiency and improving returns.
- There is still substantial upside to come from reducing transmission and distribution losses (i.e. theft).
- The regulatory regime is attractive and offers a relatively transparent regulatory structure (far better than Korea or China and more in line with Hong Kong).
- The stock trades on <7x P/E despite having earnings growth of 15% forecast over the next several years.
- It does not pay a regular dividend yet but is expected to start once the business matures.

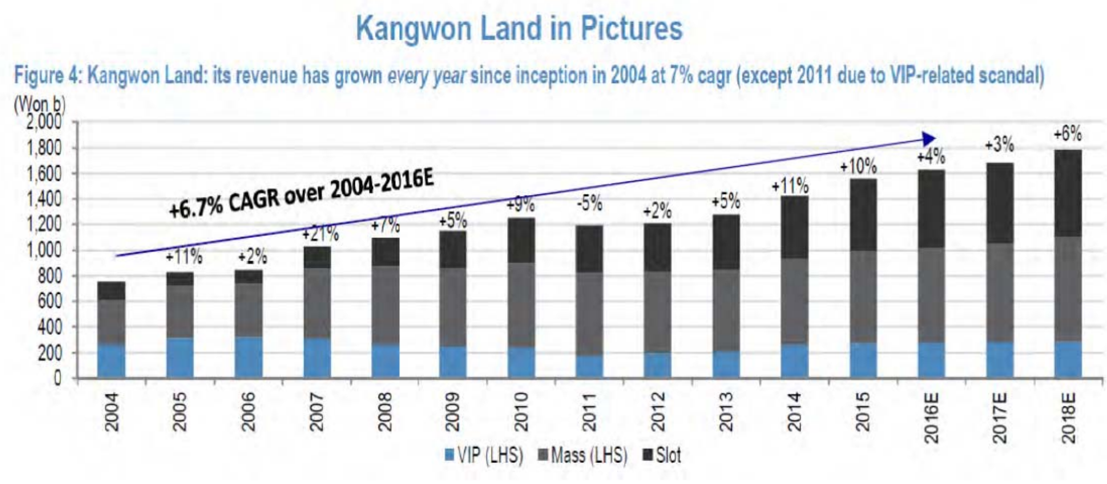
Kangwon Land

- **Kangwon Land** operates the only casino in Korea that locals are allowed to visit (the other casinos are only accessible by foreigners).
- Although casinos are illegal in Korea, a special act of government allowed the Kangwon government to enter the casino business in order to help the region cope with the loss of the coal mining industry. It is therefore unlikely that any other domestic casinos will open.

- It also operates a ski resort and several non-gaming facilities. Although these are loss making, they help bring more people to the casino and help present the company in a more positive light (think "Integrated Resort" rather than "Casino").
- In my view, it is a relatively straightforward business but sentiment on the stock swings wildly due to noise surrounding taxes and government intervention. This gives us the opportunity to buy the stock during times of pessimism.

Investment Case

- The entire bull and bear case for the stock are based on the fact that it is a government owned monopoly.
- This gives the company advantages (including the fact that it has no competitors and therefore very high margins) and disadvantages (they cannot freely add employees, set minimum bet levels on the tables and the process for expansion is very slow).
- In addition, the company suffers from the fact that there is strong political opposition to gaming in Korea which means the tax rate often increases and there is a reluctance to let the casino add more tables.
- As a consequence, the casino operates at very high capacity utilisation (2-3 people deep at most tables) and revenue growth has been extremely stable.
- I believe it is a moderate growth, high margin monopoly business and will grow earnings and dividends steadily over time. The current weakness provides an opportunity to buy the stock at an attractive multiple.



Source: JP Morgan

Financial Outlook

- I expect the company can grow revenues at around 5-8% over the next several years even if they do not add capacity but, by assuming they can return to the 2012 levels of revenue per table (they added a significant number of tables in 2013 which increased capacity by 30- 40%).
- Other factors driving growth include the opening of a new road which cuts the journey time down from Seoul to Kangwon Land from 3:00 to 2:15 hours and the opening of a water park in 2018 (ski resort increased demand by 25%).
- This should leave to earnings growth of near 10%.
- The company has a significant net-cash balance sheet, a net profit margin of 27% and a return on invested capital of 40%.

Valuation

- **Kangwon** trades on a forward P/E multiple of 14x (11x ex cash) and an EV/EBITDA multiple of 8x, which is a substantial discount to regional comparisons.
- In addition, it generates a dividend yield of 3.5% (payout ratio has drifted down from 45% to 35%).
- Because of its unique situation, the predictability of earnings is very high (see chart below). Please provide the graph

Sky City Entertainment

- **Sky City** owns a number of casinos in NZ and Australia.
- The largest asset is its casino in Auckland (70% of profits) where, like all of its casinos, it has an exclusive licence to operate.
- It also operates several smaller casinos in NZ and Australia of which the most important is in Adelaide.
- Adelaide has an excellent location and opportunity but needs a substantial amount of investment to get the property to a state where it can maximise the opportunity – this should add 15% to **Sky City's** earnings once it is complete in 2020.
- It is well positioned to benefit from growing Chinese tourism
    - **Expect the number of Chinese visitors to NZ to increase from 350k in 2016 to near 750-1000k by 2025.**
    - **New Zealand was named as the 4th most preferred destination for Chinese tourists.**
    - **Chinese gamblers spend around $800 a visit which is 5x the average** for other countries (Brits spend a miserly $100).

Dividend yield towards high end of historic range

Source – Bloomberg

Cikarang Listrindo

Cikarang Listrindo supplies electricity to 5 industrial estates located in Java, 45 km southeast of Jakarta. Its customers are large national and international companies including Mattel, Astra and Kao. It has an effective monopoly on the sale of power to these customers who pay a capacity and usage fee which is protected against movements in the exchange rate (it is effectively a US dollar payment). In addition, the company is able to pass on any increase in fuel costs to its customers, which further enhances the predictability of the business. Although **Cikarang's** prices are higher than those charged by PLN, the state electricity provider, customers are happy to pay this as a) **Cikarang** offers a more reliable power source, b) power is a relatively small part of customers' costs and, c) perhaps mostly importantly, customers have no choice as PLN does not supply power to the estate. Growth comes both from existing customers growing their own business as well as new industrial customers entering the estate.

In addition to this business **Cikarang** also supplies electricity to the grid on a Power Purchase Agreement basis. Although this is lower return than its core business, it allows management to utilise the company's power production assets in the evening and night time when the factories on the industrial estates are less busy.

The company has a return on capital just over 20% and a relatively healthy balance sheet. The stock trades on a free cash flow yield of 11% and dividend yield of 5%. It has one bond outstanding which restricts the company's payout ratio to 50% but, as a result of the IPO, management are in a stronger position to refinance this at better terms. The bond is trading above its call price and we would not be surprised to see a refinancing in the near future. On an EV/EBITDA basis the stock trades at 7x compared to a regional average of 10x, despite earning a significantly higher return on capital.

Risks include lower volumes to customers as well as lower prices as contracts are signed on a yearly basis. There is some risk that **Cikarang's** gas supply is disrupted as there is excess demand but the company is regarded by the government as a "vital asset" and, therefore, should be protected.

KEPCO

Readers with a good memory will recall we have owned shares in **Korea's Electric Power Corporation** before. Shortly after purchasing previously, we allowed concerns over the regulatory regime to scare us into selling the position which proved to be unwise. We have re-entered the position (in a small size) and hope our mental approach to managing the position will be better this time.

The investment thesis has not changed over this time. **KEPCO** is an integrated electricity production with an effective monopoly on the generation, transmission and distribution of electricity in Korea. The stock trades on a very low valuation owing to concerns over the regulatory regime in Korea, which is poor, and the operational and financial leverage of the company, which is high. However, the valuation is extremely cheap at just 4x P/E and a 40% discount to book value. In addition, the company is benefiting from low energy prices and an improving fuel mix (less LNG, more coal and nuclear).

One new development is that the government is seeking to de-regulate the power industry, which we believe will be positive for **KEPCO** as the regulator will need to ensure that it is profitable in order to allow new entrants to enter. We think fears that it will lead to lower prices are unwarranted [1].

New Positions

Wuliangye Yibin

Wuliangye Yibin is the second largest producer of Baiju, a famous Chinese liquor distilled from fermented Sorghum which has an alcohol content of around 52%. According to Bernstein, it accounts for 70% of the pure alcohol consumed in China and a staggering 28% of the global spiritsmarket by value. **Wuliangye**, founded in 1957, is the number two brand in China (after Moutai) but has excellent brand recognition.

Baijiu is produced via a continuous process of solid state fermentation which involves mixing fresh Sorghum with existing fermenting mash which is then deposited in mud lined pits for 90 days before being removed, distilled in a stream to extract the alcohol and then returned to the pit with additional fresh Sorghum. The quality and age of the pits determine the characteristics of the Baijiu.

As Chinese consumers become wealthier and older, we expect their consumption of high-end Baijiu to increase. The barriers to entry in this business are high as the brands are very established and it is difficult for foreign drinks companies to penetrate. Sales had been hit over recent years due to the government clamp down on corruption but have begun to recover as that excess demand has been washed out. Trading on a P/E of 15x and with a dividend yield of 3%, we believe it offers extremely good value and excellent growth potential.

[1]UK based investors will need little reminder that deregulation does not necessarily lead to lower electricity prices given that electricity tariffs have doubled since the industry was deregulated in 1999

Transurban

Transurban (TCL) is an Australian based toll road operator that owns a portfolio of roads located largely in Australia but also in the US. They focus on owning roads with the following characteristics:

- Located in Australia/US (i.e. operating in a market with a strong legal system)
- Congested road systems
- Urban centre that people commute in and out of
- Low amount of truck traffic/high amount of passenger traffic (all their roads has positive traffic growth during the GFC)
- Inflation protection built into tolls

Typically, a new road doesn't justify the investment as toll revenues don't cover the cost of investment so **TCL has a unique advantage in Australia in that they can seek concession extensions on existing roads that they own to pay for new roads**. A recent project they were involved in was paid for in a three way split of 1/3 by tolls, 1/3 by government and 1/3 by concession extensions on other roads. This is something that other bidders cannot offer when bidding for new roads or extensions to existing roads. Because of this, they have a very strong negotiating position with the government and as a result, they tend to earn very attractive returns on new investments. The company is expected to achieve 2-4% traffic growth, 2-4% price growth and because of margin growth, high single digit/low double digit earnings growth.

The upside to valuation comes from the $20bn of new toll road investment that is expected over the next 10 years – mainly via "exclusive negotiations" with the government. This is likely to lead to significant upgrades to valuation given the spread between the return they achieve (11-14%) and their cost of equity (7-8%).

One final point of interest is that they are a big beneficiary of the two trends of "big data" and driverless cars. They use advanced machine learning to see the impact of factors such as variable speed limits (e.g. reducing from 100 to 80 improves traffic flow as less bunching). Driverless cars are likely to be positive for traffic growth as it allows more efficient use of the road which improves asset utilisation.

What are the risks?

- Traffic growth disappoints
- The high level of leverage means that if markets dislocate, then this poses a potential challenge
- Complex structure to avoid generating a profit means accounting earnings are very low

Valuation

The forward yield is 5% and we expect this to increase at around 10% over the next 3 years. Further upside is expected from new projects which I believe can add 200-300bps per year in increased value. The dividend yield spread versus government bonds is at a 5 year high reflecting the concern that bond yields are too low. We estimate that the stock is pricing in bond yields of 3.5-4.0% compared to the current level of 2.0%.

Fonterra

Fonterra is a New Zealand based dairy co-operative collecting and processing close to 90% of NZ milk supplies. It produces a full range of commodity and consumer dairy products largely for international markets. It is the largest milk processor in the world.

Earnings are split 50/50 between milk processing and value added, consumer products (e.g. Cheese, infant milk formula, butter). The processing business is a utility-like business where the company receives a "cost of capital" stream of earnings. It is hedged against movements in the milk price. It is structured so that the farmers (the largest owners of the co-operative) receive a transparent and fair price for their milk and so there is little room to improve profits from this segment. The key is moving volumes from commodity products into branded consumer, nutritional and food service operations in Asia and in particular, China.

The key strengths of the company include:

- Growing demand for dairy. Milk consumption is 96kg/capita in Asia compared to 230-280 in US/Europe
- NZ has very low production costs on a global basis
- Strong brands based on perception of quality
- Scale

Risks

- Milk price volatility can cause issues
- Cash flows very volatile
- Food safety scares
- Co-operative structure means that shareholders do not run the company

Structure

It's complicated. There are 1.6bn shares outstanding which are split into "wet" and "dry" shares. "Wet" shares are backed by production. For every kg of milk produced, you need to own 1 wet share and so if you increase production you buy wet shares. "Dry" shares do not need to be backed by production but can only be bought by farmers, **Fonterra** or market makers. Up to 25% of the wet shares and 100% of dry shares can be converted into units of the Fonterra Shareholders Fund (FSF) which is the entity which we own units in. These can be thought of as non-voting shares. **Fonterra** targets a size of between 7% and 12% of shares on issue and it cannot exceed 20% of shares on issue. **Fonterra** can buy back shares or change the transfer limit.

Valuation

The stock trades on 10x earnings and a 7% dividend yield. Even if 100% of business was commodity milk production, this would be a very attractive multiple. But, given that half of their earnings come from higher margin, faster growth segment, we believe the stock should trade at a mid-teens multiple. Sum of the parts multiples which adjust for the fact that their international farming operations are currently loss making, suggests a price target of more than $10 compared the current share price of under $6. Book value is just under $5 and so the business is well supported by asset valuation.

Exited Positions

Hon Hai Precision

We switched part of our position in **Hon Hai** into **TSMC** and sold the balance. **TSMC** and **Hon Hai** have demonstrated diametrically opposed attitudes towards corporate governance in recent months. Whereas **TSMC** has announced a 33% increase in its dividend this year (after hiking by 50% the year before), **Hon Hai** has continued to demonstrate a less than prudent attitude towards its use of cash flow. After its shareholder friendly decision to more than double the dividend in 2015, it has since announced a takeover of perennial basket case Sharp Corp of Japan. Management have justified the bid on the basis of vertical integration (**Hon Hai** supplies screens to Apple) but it seems extremely difficult to see how the company will make a return here that covers its cost of capital – let alone a positive return on its investment.

SK Telecom

We have to admit outstaying our welcome with regards to our holding in **SK Telecom**. This was always a business with relatively modest growth and an unattractive competitive and regulatory environment but we believed its high market share and dominant market position would allow the company to generate higher returns than the market expected and the valuation discounted this negative scenario. However, the company has not been able to translate that competitive market position into earnings growth and its capital allocation policy has been unsatisfactory – it is expanding into pay TV and falling behind other Korean companies with regards to its dividend policy.

TVB

We have discussed this position in previous quarterlies but we have sold the business as there are multiple structural, cyclical and specific issues with the company and we believe it will struggle to generate strong cash flows in the future. Interestingly, the dividend yield of the company was 9% at the time of sale but we believe this payment will prove unsustainable.

Hong Kong Telecom

Due to the increased appetite for high quality stocks, **Hong Kong Telecom** approached our target price and was sold as the risk/reward was no longer attractive. We continue to hold PCCW which derives most of its valuation from its stake in **Hong Kong Telecom** as we believe the discount that it trades at is still too wide.

Samui Airport Fund

Reluctantly, we were forced to sell **Samui Airport Fund** as strong stock price performance meant that the implied rate of return we were receiving was too low.

BTS Mass Transit

For similar reasons, we exited **BTS Mass Transit** as the stock reached our price target and we saw limited upside.

Premium Leisure

Following a visit to the company, we have slightly downgraded our valuation for the company due to lower revenues and also greater competition. As the share price has performed very well this year on the back of a strong recovery in revenues, we have taken the opportunity to exit the position.

Jiangsu Expressway
The company reached our valuation target and we do not see any significant upside to that valuation in the medium term.

Sun Hung Kai Properties

The company approached our valuation target and we decided to exit as the fundamentals for the Hong Kong real estate market remain poor.

Credit Analysis & Research

The business has not performed as well as we expected and we have decided to exit.

IOOF Holdings

Our assumptions for the long term growth potential of this position have reduced and our confidence on their ability to maintain margins has also weakened.

Cheung Kong Property

Deterioration in operating environment (Hong Kong Chinese real estate) together with a lack of confidence on capital allocation led us to sell the position.

Hub Power Company

Reached price target. Although still trading on an attractive yield, the main asset has a limited life span and so care must be taken to adjust this for the fact that the sustainability of cash flows is relatively poor.

KEPCO

Exited as coal price rise reduced appeal of investment by reducing potential cash flow and dividend growth.

Link REIT

The stock reached our price target.

Outlook

Although the macro economic environment continues to be uncertain, we operate with the framework that we are not trying to position the fund for higher or lower interest rates or a strong or weak Chinese economy. Rather, we just try and buy uncorrelated stocks that have the best chance of limiting our losses should we be wrong and the highest potential gains if we are right.

That said, it is fair to say that our relative performance is affected by macroeconomic events. If interest rates move higher on the back of greater confidence that the global economy is reflating this isn't necessarily bad for our portfolio but, from a relative perspective, it tends to be better for the stocks that we don't own that have more cyclical earnings streams, lower quality balance sheets and "need" a stronger economy more than our portfolio does. So even though I aim to outperform in all market conditions, clearly it is more challenging in that environment. On the flip side, if say the Chinese economy is weaker than expected this year then this would be positive for our relative performance for the opposite reasons.

In terms of our current portfolio, my view is relatively positive – especially when compared to the summer of 2016. We are almost fully invested for the first time in some time which reflects the number of new ideas. We believe that we have substantial upside in valuations and believe the companies we own can maintain and grow dividends even in challenging economic conditions. Of course, the companies we own are not immune to economic cycles but we do think they are in a stronger position to navigate the volatility.

Prusik investment Management LLP

20 April 2017

Prusik Umbrella UCITS Fund plc

REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS

We have enquired into the conduct of Prusik Umbrella UCITS Fund plc (the "Company") for the year ended 31 December 2016, in our capacity as Depositary to the Company.

This report including the opinion has been prepared for and solely for the Shareholders in the Company as a body, in accordance with Part 5 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, ("the UCITS Regulations"), 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 Depositary

Our duties and responsibilities are outlined in Part 5 of the UCITS Regulations. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company's Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Depositary must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Depositary Opinion

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Part 5 of the UCITS Regulations 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 the constitutional documentation and the appropriate regulations; and

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

Opinion

In our opinion, the Company has been managed during the year, in all material respects:
(i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association, the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 ("the Central Bank UCITS Regulations"); and

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

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

20 April 2017

Building a better working world

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRUSIK UMBRELLA UCITS FUND PLC

We have audited the financial statements of Prusik Umbrella UCITS Fund plc for the year ended 31 December 2016 which comprise the Schedule of Investments, the Balance Sheet, Profit and Loss Account, 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 Irish law, the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (as amended) and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland including FRS 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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' Responsibilities Statement set out on page 4 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. 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 the Directors' Report, Investment Manager's Report, Report of the Depositary to the Shareholders and Statement of Significant Changes in the Composition of Portfolio 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.

Continued /...

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRUSIK UMBRELLA UCITS FUND PLC (Continued)

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2016 and of its profit for the year then ended;

- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and

- have been properly prepared in accordance with the requirements of 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 (as amended).

Matters on which we are required to report by the Companies Acts 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.

- The financial statements are in agreement with the accounting records.

- In our opinion the information given in the directors' report is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of sections 305 to 312 of the Companies Act 2014 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
for and on behalf of Ernst & Young
Chartered Accountants and Statutory Audit Firm
Dublin

27 April 2017

SCHEDULE OF INVESTMENTS - Prusik Asian Equity Income Fund

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock (31 December 2015: 79.79%)					
Australia (31 December 2015: 2.45%)					
	3,000,000	Crown Resorts Ltd.	24,623,422	25,113,544	3.25%
	3,250,000	Transurban Group	26,235,760	24,246,064	3.14%
			50,859,182	49,359,608	6.39%
China (31 December 2015: 6.31%)					
	32,000,000	Beijing Capital International Airport Co. Ltd.	24,566,291	32,354,914	4.19%
	30,000,000	Zhejiang Expressway Co. Ltd.	29,275,569	28,630,384	3.71%
			53,841,860	60,985,298	7.90%
Hong Kong (31 December 2015: 28.15%)					
	7,000,000	AIA Group Ltd.	39,362,571	39,495,744	5.11%
	1,500,000	Cheung Kong Infrastructure Holdings Ltd.	11,841,026	11,935,775	1.54%
	4,400,000	CK Hutchison Holdings Ltd.	51,888,208	49,878,772	6.46%
	20,000,000	HKBN Ltd.	22,715,357	21,924,168	2.84%
	26,082,400	Man Wah Holdings Ltd.	11,957,931	17,659,608	2.29%
	40,000,000	PCCW Ltd.	23,894,638	21,666,237	2.81%
			161,659,731	162,560,304	21.05%
India (31 December 2015: 4.08%)					
	1,143,733	Indiabulls Housing Finance Ltd.	11,062,185	10,936,831	1.42%
	15,000,000	Power Grid Corp. of India Ltd.	30,571,248	40,555,474	5.25%
	1,163,068	Sun TV Network Ltd.	6,516,990	8,431,258	1.09%
			48,150,423	59,923,563	7.76%
Indonesia (31 December 2015: 0.00%)					
	145,000,000	Cikarang Listrindo Tbk PT	16,626,257	13,830,024	1.79%
			16,626,257	13,830,024	1.79%
New Zealand (31 December 2015: 0.00%)					
	3,500,000	Fonterra Co-operative Group Ltd.	14,435,398	14,607,599	1.89%
	4,000,000	SKYCITY Entertainment Group Ltd.	10,721,634	10,934,831	1.42%
			25,157,032	25,542,430	3.31%
Singapore (31 December 2015: 4.69%)					
	19,143,716	ARA Asset Management Ltd.	21,612,546	22,602,338	2.93%
	34,588,300	Asian Pay Television Trust	19,374,269	8,981,796	1.16%
			40,986,815	31,584,134	4.09%
South Korea (31 December 2015: 14.28%)					
	600,000	Kangwon Land Inc.	18,791,710	17,759,563	2.30%
	250,000	KT&G Corp.	24,894,192	20,905,779	2.71%
	3,000,000	Macquarie Korea Infrastructure Fund	19,468,229	20,243,418	2.62%
	45,000	Samsung Electronics Co. Ltd.	42,335,149	53,390,462	6.91%
			105,489,280	112,299,222	14.54%
Taiwan (31 December 2015: 4.69%)					
	2,000,000	Taiwan Semiconductor Manufacturing Co. Ltd.	8,913,153	11,263,148	1.46%
			8,913,153	11,263,148	1.46%

SCHEDULE OF INVESTMENTS - Prusik Asian Equity Income Fund (continued)

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock (31 December 2015: 79.79%) (continued)					
Thailand (31 December 2015: 14.37%)					
	29,613,300	CPN Retail Growth Leasehold Property Fund	14,210,459	16,125,420	2.09%
	50,071,000	Digital Telecommunications Infrastructure Fund	15,702,348	19,575,097	2.54%
	11,634,700	Glow Energy PCL - Foreign	25,703,085	25,666,810	3.32%
	66,521,200	Jasmine Broadband Internet Infrastructure Fund	17,543,257	21,733,794	2.81%
	19,474,000	SPCG PCL	15,877,469	11,637,469	1.51%
			89,036,618	94,738,590	12.27%
		Total Common Stock	**600,720,351**	**622,086,321**	**80.56%**
Real Estate Investment Trusts (31 December 2015: 6.70%)					
Singapore (31 December 2015: 4.44%)					
	7,200,900	Cache Logistics Trust	4,984,944	4,039,006	0.52%
	6,424,000	Fortune Real Estate Investment Trust (Hong Kong)	6,435,716	7,381,718	0.96%
			11,420,660	11,420,724	1.48%
		Total Real Estate Investment Trusts	**11,420,660**	**11,420,724**	**1.48%**
Warrant (31 December 2015: 10.75%)					
China (31 December 2015: 1.73%)					
	1,964,643	Gree Electric Appliances Inc. of Zhuhai 18/08/2017	5,692,814	6,960,143	0.90%
	2,035,280	Gree Electric Appliances Inc. of Zhuhai 09/01/2020	8,251,299	7,210,388	0.93%
	2,499,993	Wuliangye Yibin Co. Ltd. 20/10/2017	12,237,087	12,403,735	1.61%
	1,999,970	Wuliangye Yibin Co. Ltd. 18/05/2020	10,208,851	9,922,867	1.29%
			36,390,051	36,497,133	4.73%
India (31 December 2015: 6.84%)					
	1,606,267	Indiabulls Housing Finance Ltd. 13/07/2018	16,015,862	15,359,766	1.99%
	500,000	Indiabulls Housting Finance Ltd. 30/01/2020	4,429,777	4,781,200	0.62%
	2,537,162	Sun TV Network Ltd. 16/06/2020	11,841,920	18,392,276	2.38%
			32,287,559	38,533,242	4.99%
Pakistan (31 December 2015: 2.18%)					
	100,000,000	K-Electric Ltd. 24/10/2021	8,996,779	8,953,800	1.16%
	7,028,100	United Bank Ltd. 13/07/2018	11,234,200	16,051,056	2.08%
	750,000	United Bank Ltd. 16/07/2019	1,259,784	1,712,880	0.22%
			21,490,763	26,717,736	3.46%
		Total Warrants	**90,168,373**	**101,748,111**	**13.18%**
		Total Fair Value of Investments	**702,309,384**	**735,255,156**	**95.21%**

SCHEDULE OF INVESTMENTS - Prusik Asian Equity Income Fund (continued)

Forward Foreign Currency Contracts (31 December 2015: (0.66%))

Currency Bought	Amount Bought	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss)	% of Net Assets
USD	59,000	SGD	(84,136)	11/01/2017	Brown Brothers Harriman	740	0.00%
	Total unrealised gains on Forward Foreign Currency Contracts					**740**	**0.00%**
	Total Financial Assets at Fair Value through Profit or Loss					**735,255,896**	**95.21%**
USD	95,700	SGD	(138,668)	11/01/2017	Brown Brothers Harriman	(321)	0.00%
SGD	2,376,502	USD	(1,680,897)	11/01/2017	Brown Brothers Harriman	(35,290)	(0.01%)
SGD	5,448,618	USD	(3,853,800)	11/01/2017	Brown Brothers Harriman	(80,911)	(0.01%)
GBP	51,691,104	USD	(64,558,054)	11/01/2017	Brown Brothers Harriman	(956,003)	(0.12%)
GBP	79,246,446	USD	(98,972,471)	11/01/2017	Brown Brothers Harriman	(1,465,626)	(0.19%)
	Total unrealised losses on Forward Foreign Currency Contracts					**(2,538,151)**	**(0.33%)**
	Total Financial Liabilities at Fair Value through Profit or Loss					**(2,538,151)**	**(0.33%)**

	Value USD	% of Net Asset
Cash	38,007,437	4.92%
Other Net Assets	1,514,949	0.20%
Net Assets Attributable to Holders of Redeemable Participating Shares	**772,240,131**	**100.00%**

BALANCE SHEET - Prusik Asian Equity Income Fund

	Notes	As at 31 December 2016 USD	As at 31 December 2015 USD
Assets			
Financial assets, at cost		702,309,384	766,763,885
Financial assets at fair value through profit or loss			
- Transferable securities		622,086,321	636,309,216
- Warrants		101,748,111	85,717,583
- Collective investment schemes		11,420,724	53,413,561
- Financial derivative instruments		740	245,615
Cash	8	38,007,437*	27,036,746*
Receivable for investments sold		–	977,953
Dividends receivable		3,277,241	2,902,652
Subscriptions receivable		–	348,155
Other assets		–	2,350
Total assets		**776,540,574**	**806,953,831**
Liabilities			
Financial liabilities at fair value through profit or loss			
- Financial derivative instruments		2,538,151	5,534,618
Payable for investments purchased		–	2,276,081
Redemptions payable		238,082	257,415
Investment management fees	2	647,645	681,587
Administration fees	3	108,873	111,181
Depositary fees	4	141,924	142,318
Directors' fees	5	5,186	11,341
Audit fees	6	8,529	8,035
Performance fees	2	3,580	19,139
Professional fees		118,692	157,564
Organizational expenses		–	10,888
Other liabilities		489,781*	355,319*
Total liabilities		**4,300,443**	**9,565,486**
Net Assets Attributable to Holders of Redeemable Participating Shares		**772,240,131**	**797,388,345**

*The figure has been adjusted to account for balances in the name of the Company. As at 31 December 2016 the amount of Company account included in Cash and Other liabilities was USD 33 (USD 75: 31 December 2015).

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

BALANCE SHEET - Prusik Asian Equity Income Fund (continued)

	Notes	As at 31 December 2016	As at 31 December 2015	As at 31 December 2014
Class 2 X US Dollar Distributing Class				
Net Assets		USD 416,644,335	USD 400,970,635	USD 417,324,390
Outstanding Redeemable Participating Shares	1	2,781,067	2,825,213	2,884,829
Net Asset Value per Share		USD 149.81	USD 141.93	USD 144.66
Class 2 Y Sterling Distributing Class				
Net Assets		GBP 53,070,265	GBP 54,780,006	GBP 59,761,702
Outstanding Redeemable Participating Shares	1	350,670	380,827	409,425
Net Asset Value per Share		GBP 151.34	GBP 143.84	GBP 145.96
Class 2 Z Singapore Distributing Class				
Net Assets		SGD 2,355,459	SGD 2,690,220	SGD 3,312,731
Outstanding Redeemable Participating Shares	1	15,608	18,815	22,928
Net Asset Value per Share		SGD 150.91	SGD 142.98	SGD 144.48
Class A US Dollar Non-Distributing Class				
Net Assets		USD 5,183,712	USD 5,992,458	USD 5,773,013
Outstanding Redeemable Participating Shares	1	23,861	30,457	30,257
Net Asset Value per Share		USD 217.25	USD 196.75	USD 190.80
Class B US Dollar Distributing Class				
Net Assets (for financial statement purposes)		USD 103,192,731	USD 88,877,447	USD 89,086,716
Outstanding Redeemable Participating Shares	1	616,616	562,611	560,162
Net Asset Value per Share		USD 167.35	USD 157.97	USD 159.04
Class C Sterling Distributing Class				
Net Assets		GBP 81,248,045	GBP 94,934,362	GBP 103,123,891
Outstanding Redeemable Participating Shares	1	482,470	594,548	644,535
Net Asset Value per Share		GBP 168.40	GBP 159.67	GBP 160.00
Class D Singapore Dollar Distributing Class				
Net Assets		SGD 5,481,283	SGD 5,287,314	SGD 9,267,027
Outstanding Redeemable Participating Shares	1	33,772	34,505	60,700
Net Asset Value per Share		SGD 162.30	SGD 153.24	SGD 152.67
Class E Singapore Dollar Distributing Class				
Net Assets		SGD 15,866,085	SGD 12,704,579	SGD 10,231,731
Outstanding Redeemable Participating Shares	1	58,487	53,381	47,874
Net Asset Value per Share		SGD 271.28	SGD 238.00	SGD 213.72
Class U Sterling Unhedged Distributing Class				
Net Assets		GBP 53,313,420	GBP 43,940,755	GBP 40,974,109
Outstanding Redeemable Participating Shares	1	347,621	364,163	350,760
Net Asset Value per Share		GBP 153.37	GBP 120.66	GBP 116.82

For and on behalf of the Board of Directors of Prusik Umbrella UCITS Fund plc

Richard Hayes
Director
20 April 2017

David Hammond
Director

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

PROFIT AND LOSS ACCOUNT - Prusik Asian Equity Income Fund

	Notes	For the year ended 31 December 2016 USD	For the year ended 31 December 2015 USD
Investment income			
Dividend income		31,313,607	34,864,766
Interest income		105,177	19,453
Miscellaneous income		31,917	20,505
Net realised gain/(loss) on financial assets and liabilities at fair value through profit or loss		(5,989,992)	54,736,470
Movement in net unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss		26,887,554	(60,172,577)
Total income		**52,348,263**	**29,468,617**
Expenses			
Investment management fees	2	7,688,531	8,328,555
Administration fees	3	330,872	411,412
Depositary fees	4	490,129	503,125
Directors' fees	5	35,000	33,484
Audit fees	6	9,475	20,135
Professional fees		86,071	99,679
Performance fees	2	1,805,877	7,047,282
Transaction costs		2,261,026	2,170,828
Other expenses		29,914	105,959
Total expenses		**12,736,895**	**18,720,459**
Net income before finance costs		**39,611,368**	**10,748,158**
Finance costs			
Overdraft interest		(441)	(751)
Distributions paid		(31,853,283)	(31,449,150)
Total finance costs		**(31,853,724)**	**(31,449,901)**
Withholding tax on dividends		(1,791,382)	(2,005,070)
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations		**5,966,262**	**(22,706,813)**

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 these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES - Prusik Asian Equity Income Fund

	Notes	For the year ended 31 December 2016 USD	For the year ended 31 December 2015 USD
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations		5,966,262	(22,706,813)
Capital Share Transactions of Redeemable Participating Shares			
Proceeds from issuance of Redeemable Participating Shares	1	55,291,016	70,324,205
Payments on redemption of Redeemable Participating Shares	1	(86,406,762)	(97,555,060)
Issuance of Redeemable Participating Shares in exchange for cancellation of performance fee equalization credits	2	1,270	12,494
Net decrease from Capital Share Transactions of Redeemable Participating Shares		(31,114,476)	(27,218,361)
Change in Net Assets Attributable to Holders of Redeemable Participating Shares		(25,148,214)	(49,925,174)
Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the year		797,388,345	847,313,519
Net Assets Attributable to Holders of Redeemable Participating Shares at the end of the year		**772,240,131**	**797,388,345**

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Act, 2014 and the Central Bank (Supervision and Enforcement) Act 2013 (section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015, as amended (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 ("FRS 102") 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.

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 30 and 31, 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, warrants 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 purchases or sales are purchases or sales of financial instruments that require delivery of assets within the period generally established by regulation or convention in the market place.

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. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

(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.

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 2016 are included in the Schedule of Investments.

Forward foreign exchange contracts represent obligations to purchase or sell foreign currency on a specified future date at a price fixed at the time the contracts are entered into. The values of the forward foreign exchange contracts are adjusted daily based on the applicable exchange rate of the underlying currency. Changes in the value of these contracts are recorded as unrealised appreciation or depreciation until the contract settlement date. When the forward contract is closed, the sub-fund records a realised gain or loss equal to the difference between the value at the time the contract was opened and the value at the time it was closed.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Forward Foreign Currency Contracts (continued)
The unrealised appreciation/(depreciation) on forward foreign exchange contracts is disclosed in the Balance Sheet under "Financial assets at fair value through profit or loss – Financial derivative instruments". Realised gains/(losses) and change in unrealised appreciation/depreciation resulting there from are included in the Profit and Loss Account respectively under "Net realised gain/(loss) on financial assets and liabilities at fair value through profit or loss" and "Movement in net unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss".

Collective Investment Schemes and Real Estate Investment Trusts
Units in real estate investment trusts shall be valued at the latest available net asset value per unit or bid price as published by the relevant real estate investment trusts or, if traded on a Recognised Exchange, in accordance with listed securities above. The real estate investment trusts held by the Company as at 31 December 2016 are included in the Schedule of Investments.

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 bid price for the underlying equity quoted on the stock exchange or principal market on which it is listed or, if the bid price is unavailable or unrepresentative, the last available mid price on such stock exchange or market. The warrants held by the Company as at 31 December 2016 are included in the Schedule of Investments.

Distributions Payable to Holders of Redeemable Participating Shares

The Company received reporting fund status from HMRC with effect from 31 December 2010. In the event that a distribution 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 Fund. The Directors have discretion from time to time to declare such dividends 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. As a consequence of the investment management fees and expenses being charged to the capital of the Fund, the capital may be eroded and the income of the Fund shall be achieved by foregoing the potential of future capital growth. Distributions made during the life of the Fund must therefore be understood as a type of capital reimbursement. Distributions paid or payable during the year ended 31 December 2016 were USD 15,468,725 (15,918,568: 31 December 2015).

The following table summarises the dividends distributed by the Fund during the year ended 31 December 2016:

Share Class	Ex-Date	Distribution per Share USD
Class 2 X US Dollar Distributing Class	4 January 2016	2.9435
	1 July 2016	2.9326
Class 2 Y Sterling Distributing Class	4 January 2016	4.5739
	1 July 2016	4.2173
Class 2 Z Singapore Dollar Distributing Class	4 January 2016	2.0970
	1 July 2016	2.1595
Class B US Dollar Distributing Class	4 January 2016	3.2724
	1 July 2016	3.2723
Class C Sterling Distributing Class	4 January 2016	5.0715
	1 July 2016	4.6966
Class D Singapore Dollar Distributing Class	4 January 2016	2.2428
	1 July 2016	2.3206
Class U Sterling (Unhedged) Distributing Class	4 January 2016	3.7167
	1 July 2016	3.6537

Distributions Payable to Holders of Redeemable Participating Shares (continued)

The following table summarises the dividends distributed by the Fund during the year ended 31 December 2015:

Share Class	Ex-Date	Distribution per Share USD
Class 2 X US Dollar Distributing Class	2 January 2015	2.6894
	1 July 2015	2.8410
Class 2 Y Sterling Distributing Class	2 January 2015	4.2989
	1 July 2015	4.3911
Class 2 Z Singapore Dollar Distributing Class	2 January 2015	2.0884
	1 July 2015	2.1025
Class B US Dollar Distributing Class	2 January 2015	2.9398
	1 July 2015	3.1299
Class C Sterling Distributing Class	2 January 2015	4.6869
	1 July 2015	4.8250
Class D Singapore Dollar Distributing Class	2 January 2015	2.1948
	1 July 2015	2.2255
Class U Sterling (Unhedged) Distributing Class	2 January 2015	3.3165
	1 July 2015	3.5624

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 Company'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 recognised 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenses

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

1. Share Capital

Authorised
The authorised capital of the Company is Euro (“EUR”) 300,000 divided into 300,000 redeemable non-participating Shares of EUR1 each and 500 billion Redeemable Participating Shares of no par value.

Non-Participating Shares
There are currently 300,000 redeemable non-participating Shares authorized, with two in issue. The redeemable 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 year ended 31 December 2016 is as follows:

	Class 2 X US Dollar Distributing Class Shares	**Class 2 Y Sterling Distributing Class Shares**	**Class 2 Z Singapore Distributing Class Shares**
At the beginning of the year	2,825,213	380,827	18,815
Redeemable Participating Shares issued	167,058	18,623	–
Redeemable Participating Shares redeemed	(211,204)	(48,780)	(3,207)
At the end of the year	2,781,067	350,670	15,608

	Class A US Dollar Non-Distributing Class Shares	**Class B US Dollar Distributing Class Shares**	**Class C Sterling Distributing Class Shares**
At the beginning of the year	30,457	562,611	594,548
Redeemable Participating Shares issued	14,299	64,399	8,365
Redeemable Participating Shares redeemed	(20,895)	(10,394)	(120,443)
At the end of the year	23,861	616,616	482,470

	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	34,505	53,381	364,163
Redeemable Participating Shares issued	–	5,106	49,758
Redeemable Participating Shares redeemed	(733)	–	(66,300)
At the end of the year	33,772	58,487	347,621

1. Share Capital (continued)

Redeemable Participating Shares (continued)

The movement in the number of redeemable participating shares for the year ended 31 December 2015 is as follows:

	Class 2 X US Dollar Distributing Class Shares	Class 2 Y Sterling Distributing Class Shares	Class 2 Z Singapore Distributing Class Shares
At the beginning of the year	2,884,829	409,425	22,928
Redeemable Participating Shares issued	321,300	29,720	384
Redeemable Participating Shares redeemed	(380,916)	(58,318)	(4,497)
At the end of the year	2,825,213	380,827	18,815

	Class A US Dollar Non-Distributing Class Shares	Class B US Dollar Distributing Class Shares	Class C Sterling Distributing Class Shares
At the beginning of the year	30,257	560,162	644,535
Redeemable Participating Shares issued	703	26,141	16,233
Redeemable Participating Shares redeemed	(503)	(23,692)	(66,220)
At the end of the year	30,457	562,611	594,548

	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	60,700	47,874	350,760
Redeemable Participating Shares issued	–	5,507	33,877
Redeemable Participating Shares redeemed	(26,195)	–	(20,474)
At the end of the year	34,505	53,381	364,163

Application for redemption of Redeemable Participating Shares may be submitted prior to 5.00pm Irish time one calendar day 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 Classes are entitled to receive all dividends declared and paid to 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% per annum of the NAV of the Fund together with Value Added Tax (“VAT”), if any, on such 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. Class E Singapore Dollar Distributing Shares are not charged an Investment Management Fee.

The Investment Manager earned a fee of USD 7,688,531 during the year ended 31 December 2016 (USD 8,328,555: 31 December 2015), of which USD 647,645 is outstanding at the year end (USD 681,587: 31 December 2015).

2. Investment Management Fees (continued)

Performance fee and equalization

The Investment Manager will also be entitled to receive a performance fee (the "Performance Fee") out of the assets of the Fund as set forth below. The Performance Fee will be calculated in respect of each calendar quarter (a "Calculation Period"). The Performance Fee in respect of each share class will be equal to 10% of the net percentage outperformance by the relevant share class to the index performance during the Calculation Period. The A US Dollar Non-Distributing Class, B US Dollar Distributing Class, C Sterling Distributing Class, D Singapore Dollar Distributing Class and E Singapore Dollar Distributing Class do not attract a performance fee.

The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value before deduction for any accrued Performance Fee. The Performance Fee will normally be payable to the Investment Manager in arrears within 14 days of the end of each Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will be payable within 14 days after the date of redemption**.**

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

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 is 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 period are included in the Profit and Loss Account and Balance Sheet, respectively.

A Performance Fee of USD 1,805,877 was earned during the year ended 31 December 2016 (USD 7,047,282: 31 December 2015), which includes USD 1,270 due to the issuance of redeemable participating shares in exchange for cancellation of performance fee equalisation credits (USD 12,494: 31 December 2015). The performance fee outstanding at the end of the year was USD 3,580 (USD 19,139: 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 USD 200,000,000, 0.03% of any increment greater than USD 200,000,000 and less than USD 400,000,000, and 0.02% of any increment greater than USD 400,000,000 (plus VAT, if any), subject to a minimum monthly charge of USD 4,000. Additional Classes in excess of two Classes per Fund shall be charged at USD 500 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 USD 330,872 during the year ended 31 December 2016 (USD 411,412: 31 December 2015) of which USD 108,873 is outstanding at the year end (USD 111,181: 31 December 2015).

4. Depositary Fees

The Company pays Brown Brothers Harriman Trustee Services (Ireland) Limited (the "Depositary") a trustee fee of 0.02% of the NAV of the Company. 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 USD 36,000 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.

4. Depositary Fees (continued)

The Depositary earned a fee of USD 490,129 during the year ended 31 December 2016 (USD 503,125: 31 December 2015), of which USD 141,924 is outstanding at the year end (USD 142,318: 31 December 2015).

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 Tony Morris have waived their entitlement to Directors fees (as disclosed in Note 7).

Directors' fees and expenses charged during the year were:

- David Hammond: USD 17,500 (2015: USD 16,742)
- Richard Hayes: USD 17,500 (2015: USD 16,742)

The Directors in aggregate earned fees of USD 35,000 for the year ended 31 December 2016 (USD33,484: 31 December 2015), of which USD5,186 is outstanding at the year end (USD11,341: 31 December 2015).

6. Auditors Remuneration

Audit fees charged to the Profit and Loss Account for the year ended 31 December 2016 amounted to USD 9,475 (USD 20,135: 31 December 2015) of which USD 8,529 is outstanding at the year ended 31 December 2016 (USD 8,035: 31 December 2015). This represents remuneration for work carried out for the Company for statutory audit of financial statements. There were no other fees paid to statutory auditor other than the audit fee.

Remuneration for work carried out for the Company by its statutory audit firm for the year ended 31 December 2016 and 31 December 2015 was as follows:

	Year ended 31 December 2016 USD	**Year ended 31 December 2015 USD**
Statutory audit fees	19,456	20,135

7. 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 2016.

Tony 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 31 December 2016:

Related Party	**Shares held**	**Share Class**
Mark Dwerryhouse (Spouse) - Prusik Investment Management LLP	697	Class E Singapore Dollar Distributing Class
Heather Manners	241	Class E Singapore Dollar Distributing Class
Tony Morris	7,500	Class E Singapore Dollar Distributing Class
Tony Morris (Spouse)	265	Class C Sterling Distributing Class
Thomas Naughton (Partner of the Investment Manager)	49,056	Class E Singapore Dollar Distributing Class
Han Leng Chow (employee of Prusik)	337	Class E Singapore Dollar Distributing Class
Amirah Rani (employee of Prusik)	298	Class E Singapore Dollar Distributing Class

7. Related Parties (continued)

The following Directors and related parties held Shares in the Company as at 31 December 2015:

Related Party	**Shares held**	**Share Class**
Thomas Naughton (Partner of the Investment Manager)	45,324	Class E Singapore Dollar Distributing Class
Heather Manners	2,187	Class C Sterling Distributing Class
Heather Manners	241	Class E Singapore Dollar Distributing Class
Mark Dwerryhouse (Spouse) – Prusik Investment Management LLP	534	Class E Singapore Dollar Distributing Class
Tony Morris	7,000	Class E Singapore Dollar Distributing Class
Tony Morris (Spouse)	265	Class E Singapore Dollar Distributing Class

8. Cash

	31 December 2016 USD	**31 December 2015 USD**
BNP Paribas	35,704,590	–
Brown Brothers Harriman & Co.	11,029*	4,204*
**Citibank	–	25,657,947
HSBC Bank Plc	2,291,818	1,374,595
	38,007,437*	27,036,746*

*The figure has been adjusted to account for balances in the name of the Company. As at 31 December 2016 the amount of Company account included in Cash and Other liabilities was USD 33 (USD 75: 31 December 2015).

Cash balances are held with the sub-depositary and other eligible institutions on overnight deposits as part of the Depositary Agreement. The Depositary performs oversight in respect of the sub-depositary's appointment and conducts an annual due diligence review.

9. 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.

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.

10. Soft Commission Agreements

During the years ended 31 December 2016 and 31 December 2015, 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 year ended 31 December 2016 the Company did not hold any instruments for the purposes of efficient portfolio management (31 December 2015: None).

12. Exchange Rates

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

	31 December 2016	**31 December 2015**
Australian Dollar	1.3833	1.3671
British Pound Sterling	0.8129	0.6750
Hong Kong Dollar	7.7540	7.7509
Indian Rupee	67.8700	66.1550
Indonesian Rupiah	13,472.5000	-
Malaysian Ringgit	4.4860	4.2935
New Zealand Dollar	1.4376	1.4594
Philippine Peso	-	46.8540
Singapore Dollar	1.4441	1.4129
South Korean Won	1,207.8000	1,176.3900
Taiwan Dollar	32.2290	32.8755
Thailand Baht	35.8105	36.0200

13. Financial Risk Management

In pursuing its investment objective, the Company is exposed to a variety of financial risks as defined in FRS 102 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 Company.

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.

13. Financial Risk Management (continued)

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 102 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 2016, 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 USD 36,635,887 (USD 38,507,568: 31 December 2015).

The Company's concentration of equity price risk by geographical distribution can be seen in the Schedule of Investments, on pages 25 to 27.

(ii) Currency Risk

Currency risk is defined in FRS 102 as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The net asset values per share of the Company are computed in USD whereas the investments of the Company may be acquired, valued and disposed of in other currencies. The USD value of the investments of the Company designated in another currency may rise and fall due to exchange rate fluctuations in respect of the relevant currency.

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 below sets out the Company's total exposure to foreign currency at the year ended 31 December 2016, including sensitivity analysis.

	Cash	Non-Cash	Total USD	Effect on Net Assets of 5% Change in Foreign Exchange Rate (stated in USD)
Australian Dollar	981	49,770,757	49,771,738	2,488,587
British Pound Sterling	143,661	160,879,788	161,023,449	8,051,172
Hong Kong Dollar	1,329,365	231,676,634	233,005,999	11,650,300
Indian Rupee	-	59,923,562	59,923,562	2,996,178
Indonesian Rupiah	-	13,830,024	13,830,024	691,501
Malaysian Ringgit	183	-	183	9
New Zealand Dollar	571	25,542,430	25,543,001	1,277,150
Singapore Dollar	818,799	40,887,356	41,706,155	2,085,308
South Korean Won	-	114,416,000	114,416,000	5,720,800
Taiwan Dollar	-	11,263,148	11,263,148	563,157
Thailand Baht	529	94,738,590	94,739,119	4,736,956

13. Financial Risk Management (continued)

a) Market Risk (continued)

(ii) Currency Risk (continued)

The table below sets out the Company's total exposure to foreign currency at the year ended 31 December 2015, including sensitivity analysis.

	Cash	Non-Cash	Total USD	Effect on Net Assets of 5% Change in Foreign Exchange Rate (stated in USD)
Australian Dollar	916	19,558,988	19,559,904	977,995
British Pound Sterling	44,790	208,802,160	208,846,950	10,442,348
Hong Kong Dollar	1,329,825	319,527,336	320,857,161	16,042,858
Indian Rupee	-	32,507,404	32,507,404	1,625,370
Malaysian Ringgit	192	-	192	10
New Zealand Dollar	553	-	553	28
Philippine Peso	-	6,126,811	6,126,811	306,341
Singapore Dollar	7	51,365,851	51,365,858	2,568,293
South Korean Won	-	89,331,220	89,331,220	4,466,561
Taiwan Dollar	-	37,463,156	37,463,156	1,873,158
Thailand Baht	526	113,327,803	113,328,329	5,666,416

(iii) Interest Rate Risk

Interest rate risk is defined in FRS 102 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.

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 Depositary. These assets are held in segregated accounts on the books and records of the Depositary. Depending on the requirement of the jurisdictions in which the investments of the Fund are listed, the Depositary may use the service of one or more sub-depositaries.

13. Financial Risk Management (continued)

b) Credit Risk (continued)

The credit ratings are outlined below for the following institutions:

	Moody's 31 December 2016	Moody's 31 December 2015
BNP Paribas	A1	-
Brown Brothers Harriman & Co.	F1*	F1*
Citibank	A1	Baa1
HSBC Bank Plc	A1	A1

*Fitch rating.

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-depositary (agency accounts) are obligations of the sub-depositary.

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-depositary, 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 2016 was USD 166,682,092 (USD 236,881,299: 31 December 2015).

c) Liquidity Risk

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

The Company is exposed to daily 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.

The tables below and overleaf 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 and overleaf are the contractual undiscounted cash flows. Detailed analyses of the Company's assets are not shown as they are considered liquid based on the fact that they could be converted to cash in less than one month at close to their carrying value.

31 December 2016

	Less than or equal to 1 month USD	More than 1 month USD	Total USD
Redemptions payable	238,082	–	238,082
Other Payables	–	1,524,210	1,524,210
Redeemable Participating Shares	772,240,131	–	772,240,131
Total	772,478,213	1,524,210	774,002,423
Forward foreign currency exchange contracts			
Payables	169,161,242	–	169,161,242
Receivables	(166,623,091)	–	(166,623,091)
Net	2,538,151	–	2,538,151
Total	775,016,364	1,524,210	776,540,574

13. Financial Risk Management (continued)

c) Liquidity Risk (continued)

31 December 2015

	Less than or equal to 1 month USD	More than 1 month USD	Total USD
Payable for Investments Purchased	2,276,081	–	2,276,081
Redemptions payable	257,415	–	257,415
Other Payables	–	1,497,372	1,497,372
Redeemable Participating Shares	797,388,345	–	797,388,345
Total	799,921,841	1,497,372	801,419,213
Forward foreign currency exchange contracts			
Payables	231,592,296	–	231,592,296
Receivables	(236,881,299)	–	(236,881,299)
Net	(5,289,003)	–	(5,289,003)
Total	794,632,838	1,497,372	796,130,210

d) 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.

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. These include warrants. 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 require significant management judgement or estimation. As observable prices are not available for these securities, the Company would use valuation techniques to derive the 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.

13. Financial Risk Management (continued)

d) Fair Value Estimation (continued)

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 tables below provide an analysis within the fair value hierarchy of the Company's financial assets and liabilities measured at fair value at 31 December 2016 and 31 December 2015:

As at 31 December 2016

Financial Assets at Fair Value Through Profit or Loss	**Level 1 USD**	**Level 2 USD**	**Level 3 USD**	**Total USD**
Common Stock	622,086,321	–	–	622,086,321
Real Estate Investment Trusts	11,420,724	–	–	11,420,724
Warrants	–	101,748,111	–	101,748,111
Forward foreign currency contracts	–	740	–	740
Total Assets	633,507,045	101,748,851	–	735,255,896

Financial Liabilities at Fair Value Through Profit or Loss				
Forward foreign currency contracts	–	(2,538,151)	–	(2,538,151)
Total Liabilities	–	(2,538,151)	–	(2,538,151)

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	636,309,216	–	–	636,309,216
Real Estate Investment Trusts	53,413,561	–	–	53,413,561
Warrants	–	85,717,583	–	85,717,583
Forward Foreign Currency Contracts	–	245,615	–	245,615
Total Assets	689,722,777	85,963,198	–	775,685,975

Financial Liabilities at Fair Value Through Profit or Loss				
Forward foreign currency contracts	–	(5,534,618)	–	(5,534,618)
Total Liabilities	–	(5,534,618)	–	(5,534,618)

There were no transfers between levels for the investments held at 31 December 2016 and 31 December 2015.

The Fund held no Level 3 investments as at the year ended 31 December 2016 (Nil: 31 December 2015).

14. Portfolio Analysis

As at 31 December 2016	Market Value USD	% of Total Assets
Transferable securities admitted to an official exchange listing or dealt on another regulated market	633,507,045	81.59
Other securities	101,748,111	13.10
Financial derivative instruments (Forward Foreign Currency Contracts)	(2,537,411)	(0.33)
Net financial assets at fair value through profit or loss	732,717,745	94.36

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	689,722,777	85.48
Other securities	85,717,583	10.62
Financial derivative instruments (Forward Foreign Currency Contracts)	(5,289,003)	(0.66)
Net financial assets at fair value through profit or loss	770,151,357	95.44

15. Comparatives

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

16. Significant Events during the Year

In order to present performance data of the Fund in a more transparent manner, from 31 March 2016, a change has been made in the Performance Index used in the calculation of performance data from MXAPJ to the MSCI Asia Pacific ex-Japan Gross Return USD Index (“M2APJ”).

Brown Brothers Harriman Trustee Services (Ireland) Limited, the Custodian of the Company, was reappointed as Depositary following the UCITS V changes, effective from 21 March 2016. The Company's Prospectus has been updated accordingly on 31 March 2016. There were no other significant updates in the Prospectus.

There were no other events during the year that had a material effect on the financial statements.

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 Directors on 20 April 2017.

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 year ended 31 December 2016

Security Description	Acquisitions Nominal	Cost USD
Zhejiang Expressway Co. Ltd.	30,000,000	29,185,763
Transurban Group	3,250,000	26,183,393
KT&G Corp.	250,000	24,844,503
Crown Resorts Ltd.	3,000,000	24,574,274
AIA Group Ltd.	3,703,000	20,380,308
Kangwon Land, Inc.	600,000	18,754,202
Cikarang Listrindo Tbk PT	145,000,000	16,578,331
Korea Electric Power Corp.	300,000	15,545,931
Sun Hung Kai Properties	1,322,000	14,243,374
Fonterra Co.-operative Group Ltd.	3,447,044	14,189,549
Link REIT	2,500,000	13,880,466
HKBN Ltd.	11,067,000	12,940,431
Cheung Kong Infrastructure Holdings Ltd.	1,500,000	11,804,703
SKYCITY Entertainment Group Ltd.	4,000,000	10,700,233
PCCW Ltd.	17,658,000	10,264,889
Power Grid Corp. of India Ltd.	4,110,164	8,467,136
Indiabulls Housing Finance Ltd.	819,845	8,009,872
Glow Energy PCL	3,296,300	7,394,375
Cheung Kong Property Holdings Ltd.	1,408,500	7,284,856
Beijing Capital International Airport Co. Ltd.	7,014,000	6,758,422
Jasmine Broadband Internet I	27,132,300	6,462,046
Taiwan Semiconductor Manufacturing Co. Ltd.	1,060,000	4,584,702

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

Major Sales for the year ended 31 December 2016

Security Description	Disposals Nominal	Proceeds USD
Cheung Kong Property Holdings Ltd.	6,750,000	45,942,863
Link REIT	5,500,000	39,751,624
SK Telecom Co. Ltd.	1,300,000	25,686,761
Fortune Real Estate Investment Trust (Hong Kong)	19,576,000	24,406,667
BTS Rail Mass Transit Growth Infrastructure Fund	72,500,000	24,354,755
Jiangsu Expressway Co. Ltd.	16,962,000	24,046,808
HKT Trust & HKT Ltd.	17,500,000	23,495,724
Taiwan Semiconductor Manufacturing Co. Ltd.	4,000,000	22,321,373
IOOF Holdings Ltd.	3,000,000	20,277,560
PCCW Ltd.	29,729,000	20,076,941
Sun Hung Kai Properties	1,322,000	19,188,030
Man Wah Holdings Ltd.	14,036,400	15,686,922
Television Broadcasts Ltd.	4,250,000	15,218,824
Hon Hai Precision Industry Co. Ltd.	6,500,000	14,849,286
Macquarie Korea Infrastructure Fund	2,000,000	14,624,431
Korea Electric Power Corp.	300,000	13,450,076
Samui Airport Property Fund Leasehold	20,000,000	13,392,120
Samsung Electronics Co. Ltd.	12,500	11,664,682
Premium Leisure Corp.	448,540,000	9,760,883
Digital Telecommunications Infrastructure Fund	14,929,000	6,413,340
CPN Retail Growth Leasehold Property Fund	10,386,700	5,657,441
Asian Pay Television Trust	12,741,700	5,464,177
Cache Logistics Trust	7,299,100	4,563,949
AIA Group Ltd.	500,000	3,158,743

MANAGEMENT AND ADMINISTRATION

BOARD OF DIRECTORS
David Hammond* (Irish)
Heather Manners (British)
Tony Morris (British) (Alternate Director)
Richard Hayes* (Irish)
*Independent of the Investment Manager

INVESTMENT MANAGER AND DISTRIBUTOR
Prusik Investment Management LLP
6th Floor Moss House
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United Kingdom

INDEPENDENT AUDITOR
Ernst & Young
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

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

COMPANY NAME AND REGISTERED OFFICE
Prusik Umbrella UCITS Fund plc
33 Sir John Rogerson's Quay
Dublin 2
Ireland

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

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

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

LEGAL ADVISERS UNITED KINGDOM
Simmons & Simmons LLP
One Ropemaker Street
London EC2Y 9SS
United Kingdom

Appendix 1 – Report on Remuneration (Unaudited)

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.

Quantitative remuneration information will be included in the Annual Report and Audited Financial Statements for the Company once the Company has completed its first full annual period since the implementation of the remuneration requirements.