

PRUSIK ASIA FUND PLC

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

Condensed Semi-Annual Report and Unaudited Financial Statements For the Financial Period Ended 30 June 2017

TABLE OF CONTENTS

	Page
GENERAL INFORMATION	2
INVESTMENT MANAGER'S REPORT	4
SCHEDULE OF INVESTMENTS	7
BALANCE SHEET	10
PROFIT AND LOSS ACCOUNT	12
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES	13
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	14
NOTES TO THE FINANCIAL STATEMENTS	18
STATEMENT OF SIGNIFICANT CHANGES IN THE COMPOSITION OF PORTFOLIO	26
MANAGEMENT AND ADMINISTRATION	27
APPENDIX 1 – REPORT ON REMUNERATION	28

GENERAL INFORMATION

Prusik Asia Fund plc (the “Company”) is a public limited liability investment company with variable capital, incorporated on 7 September 2005 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, as amended (S.I. No. 420 of 2015) (the “Central Bank UCITS Regulations”).

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

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

The Company commenced trading on 7 October 2005. There are six share classes available to investors in the Company:

- Class A Dollar Non-Distributing Class (first issued on 7 October 2005)
- Class B Dollar Distributing Class (first issued on 7 October 2005)
- Class C Sterling Distributing Class (first issued on 14 July 2006)
- Class D Singapore Dollar Distributing Class (first issued on 22 December 2009)
- Class E Singapore Dollar Distributing Class (first issued on 21 September 2011)
- Class U Sterling (Unhedged) Distributing Class (first issued on 1 July 2013)

Brown Brothers Harriman Fund Administration Services (Ireland) Limited (the “Administrator”) determines the Net Asset Value (“NAV”) per Share of each Class of the Company on each business day (“Dealing Day”). The valuation point is 11.00 am (Irish time) on each Dealing Day.

The most recent Prospectus of the Company is dated 25 May 2017.

Investment Objective

The investment objective of the Company is to engineer capital growth primarily by investing in companies operating in the Asian region.

In pursuit of its investment objective the Company 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, on average, in companies which have a price to book value ratio and price/earnings ratio below the level then prevailing in the market of that sector. The Company pursues its investment objective primarily by taking long positions in publicly traded common stocks and other equity securities of Asian issuers.

The Company has the ability to hold up to 100% of the NAV in cash for any period of time Prusik Investment Management LLP (the “Investment Manager”) deems this prudent. The Company limits its investment in other collective investment schemes to a maximum of 10% of its NAV.

The Company may invest in American depositary receipts and global depositary receipts and other equity related securities and instruments, which may be over-the-counter or listed, including convertible bonds, depositary receipts and warrants as well as other securities such as bonds and preference shares issued by corporate and governmental issuers and which may be fixed or floating, and of both investment grade (rated BB- or higher by Standard & Poor’s/ Moody’s) or non-investment grade.

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

GENERAL INFORMATION (CONTINUED)

Investment Objective (continued)

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

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

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

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

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

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

INVESTMENT MANAGER'S REPORT

Prusik Asia Fund half year report June 2017

Over the first half of 2017 the fund NAV rose 24.6% whilst the M2APJ index rose 19.9%. The outperformance was mainly achieved in the second quarter and a detailed report on the main contributors to performance can be found below.

Overview and Outlook

Despite very strong stock market performance in Asia year to date, the price to earnings ratio for the index has barely changed as the attendant increase in earnings expectations has more than kept up. We are, therefore, now in what feels like a strong upcycle for demand growth in Asia and we are also seeing some anecdotal evidence that capex is beginning to pick up. There is also rising interest in equities appearing in some countries from domestic investors, notably Vietnam, India and, to an extent China, which is helping to propel share prices as well. However, with the price to earnings valuation of the market barely changed we remain a long way off having to evaluate whether or not we have reached peak valuations. We would also add that so far, no case can be made for rising inflation, tight employment, rising wages, shortages or bubble-like behavior. As such, in the absence of any shocks and surprises from the global and political stages, we believe we can afford to be optimistic about Asia for the remainder of 2017.

At the end of the 2nd quarter the fund is trading on 15.0x P/E, close to the index spot multiple of 14.4x P/E, whilst the fund's ROE at 20.4% is roughly double that of the index.

1st Quarter

In the first quarter of 2017, the Prusik Asia Fund saw a rise of 11.9% versus the index rise of 12.8%. Stock markets were strong across the board, led by India and China. During the quarter we saw increasing evidence of improving economies, with macro-economic data widely picking up. This was mostly reflected in the strong outperformance of cyclicals versus growth or defensive stocks, especially in North Asia. This is partly being driven by the fact that ROEs for cyclicals has been rising whilst their price to book ratios remain low relative to growth and defensive stocks. In ASEAN, this valuation gap combined with cyclical companies' ROE improvement is still wide enough to drive another quarter at least of outperformance from this segment.

For the fund this meant a quarter of mild underperformance but we did see some very good moves from some of our themes, especially local brands and financialisation, which have more of a cyclical element and which are geographically more skewed to North Asia.

No element of the portfolio was a serious detractor in terms of performance during the quarter but Vietnam, while it produced a very healthy return of 11.6% in 1Q17, nevertheless underperformed slightly, which caused a drag on overall performance owing to the fund's sizeable weighting in this market. As we wrote last quarter, we remain very positive on Vietnam and expect that when the cyclical catch-up is complete we will see the relative performance of Vietnam recover again.

Below is a theme by theme look at performance attribution for this quarter and some of the key changes in each theme.

Outperforming Themes in 1Q17

Local Brands: 9.3% average weighting in 1Q17

- Local brands was the stand-out best performing theme in 1Q17, generating a return of 21.5%.
- Performance was led by **Haier Electronics**, which was driven by a more buoyant Chinese consumer, strong ecommerce sales and **Alibaba** increasing its stake in its logistics business.
- China noodle and snack brand, **Uni-President**, was replaced with branded jewellery retainer, **Chow Sang Sang**, as the latter offered better growth for a more attractive valuation.

INVESTMENT MANAGER'S REPORT (CONTINUED)

Outperforming Themes in 1Q17 (continued)

Financialisation: 22.4% average weighting in 1Q17

- The financialisation theme returned 17.6% in 1Q17.
- We saw an exceptional rebound in **Indiabulls** as results confirmed that there was no impact from demonetisation.
- Chinese insurers continued to deliver strong returns as bond yields in China ticked up again.
- **Bank Negara** in Indonesia was added to the fund and is off to a strong start.

Artificial Intelligence / Virtual Reality: 23.1% average weighting in 1Q17

- The artificial intelligence / virtual reality theme saw a 14.9% return in 1Q17.
- **Samsung Electronics** led the way post strong results and improved returns to shareholders.
- We added a voice recognition company, **Iflytek**, and the surveillance leader, **Hikvision**, both of which are China A-shares.
- We exited **Silicon Motion** in Taiwan owing to growth concerns.

Underperforming Themes in 1Q17

Vietnam: 18.4% average weighting in 1Q17

- The Vietnam theme saw a healthy return of 11.6%, however, this was slightly below the index return.
- 4 out of 6 stocks performed well led by dairy brand, **Vinamilk**, and broker, **Saigon Securities**.

Clean Energy: 1.5% average weighting in 1Q17

- The clean energy theme saw a return of 2.4% in 1Q17.
- This theme has been gradually reduced since mid-2016. In 1Q17 the remaining stocks in this theme were sold (China EV car brand, **BYD**, auto parts maker, **Nexteer**, EV bus brand, **YutongBus**).
- We remain very positive on the long term structural opportunity for clean energy in Asia, but short term subsidy related concerns and unattractive valuations led us to take a breather.

Infrastructure: 7.3% average weighting in 1Q17

- The infrastructure theme saw a positive return of 2.9% in 1Q17.
- Returns were led by infrastructure focused bank, **Macquarie**, and **Siam Cement** in Thailand.
- Construction company, **Sino Thai Engineering**, was replaced by **Siam Cement** as the latter offered better growth prospects for a more attractive valuation.

2nd Quarter

The second quarter saw the M2APJ index rise by 6.3%, whilst the Prusik Asia Fund rose by 11.4%, thus outperforming by 5.1%. Geographically, China, Vietnam and Taiwan were all positive contributors to performance. At the stock level Chinese gaming giant, **Tencent**, and Chinese AI face recognition leader, **Hangzhou Hikvision**, led the way. On the negative side, Pakistan and Indonesia were detractors. Below is a summary of the best and worst of this quarter's performance by theme.

Outperforming Themes in 2Q17

Internet: 9.7% average weighting in 2Q17

- Our internet theme returned 27.1%. All of our holdings saw very strong 1Q17 results with sales up 40-70% year on year. Performance was led by China social network/online games giant, **Tencent**.
- The shift towards mobile in China continues: c.80% of transactions by value for **Alibaba** are now on mobile, whilst **Tencent's** mobile gaming sales is growing at twice the rate of its PC gaming sales.
- WhatsApp is now banned in China. This is very positive for Tencent's WeChat, which now has 938 million subscribers.
- Cloud and online payment services are growing at 100-200% year on year.

INVESTMENT MANAGER'S REPORT (CONTINUED)

Outperforming Themes in 2Q17 (continued)

Vietnam: 16.2% average weighting in 2Q17

- The Vietnam theme returned 22.8% in 2Q17, led by local brokers and **Phu Nhuan Jewellery (PNJ)**.
- Brokers **VNDirect** saw 1Q17 EPS +741%, while **Saigon Securities** saw 1Q17 EPS +104% year on year.
- Business remains strong for **PNJ** with 1Q17 same store sales growth up by a staggering 25%.

Artificial Intelligence / Virtual Reality: 24.1% average weighting in 2Q17

- The artificial intelligence / virtual reality theme saw a 20.7% return in 2Q17.
- In absolute terms it was our strongest theme, contributing 438bps to NAV.
- China surveillance giant and A-share, **Hangzhou Hikvision**, re-rated as China A-shares were finally included in the MSCI Asia Index.
- **Samsung Electronics** rose strongly post excellent results driven by memory price hikes.
- **Hon Hai** rallied with management's plan for US\$10 billion investment in the US, possibly to help Tesla.

Underperforming / In-line Themes in 2Q17

Infrastructure: 18.4% average weighting in 2Q17

- The infrastructure theme returned just 0.5% in the quarter, less than the index.
- The theme comprises Malaysian construction companies, Thai and Pakistani cement companies and an Australian listed global infrastructure financing company.
- Returns for all holdings in the theme were muted in the quarter.
- Pakistan cement company, **Lucky Cement**, was sold due to its deteriorating quant scores.
- Indian property developer, which is a beneficiary of GST, **Godrej Properties**, was added.

Leisure & Tourism: 6.6% average weighting in 2Q17

- The leisure and tourism theme saw a return of 6.6% in 2Q17, roughly in-line with the index.
- **Beijing Capital International Airport** was strong on news its duty-free contracts were going to be renewed at much higher commission rates.
- Muted returns were seen in Korean mobile gaming company, **Com2Us**.

SCHEDULE OF INVESTMENTS

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock (31 December 2016: 88.00%)					
Australia (31 December 2016: 5.11%)					
	27,000	Macquarie Group Ltd.	1,693,829	1,836,570	2.29%
	165,000	Treasury Wine Estates Ltd.	1,002,979	1,668,938	2.08%
			2,696,808	3,505,508	4.37%
China (31 December 2016: 21.36%)					
	15,000	Alibaba Group Holding Ltd.	1,524,364	2,112,150	2.63%
	1,670,000	Beijing Capital International Airport Co. Ltd.	1,250,270	2,353,574	2.93%
	428,000	Ping An Insurance Group Co. of China Ltd.	1,788,886	2,821,291	3.51%
	20,000	SINA Corp./China	1,161,939	1,707,800	2.13%
	112,000	Tencent Holdings Ltd.	1,850,435	4,006,380	4.99%
	4,000	Weibo Corp.	171,804	269,720	0.34%
			7,747,698	13,270,915	16.53%
Hong Kong (31 December 2016: 10.03%)					
	320,000	AIA Group Ltd.	1,822,659	2,338,968	2.91%
	780,000	China Taiping Insurance Holdings Co. Ltd.	2,974,853	1,976,695	2.46%
	770,000	Chow Sang Sang Holdings International Ltd.	1,739,499	1,797,454	2.24%
	1,100,000	Haier Electronics Group Co. Ltd.	1,831,381	2,860,931	3.56%
			8,368,392	8,974,048	11.17%
India (31 December 2016: 2.30%)					
	240,000	Godrej Properties Ltd.	2,063,778	1,929,872	2.40%
	300,000	ICICI Prudential Life Insurance Co. Ltd.	2,050,012	2,187,807	2.72%
	230,000	Indiabulls Housing Finance Ltd.	2,817,307	3,849,190	4.79%
			6,931,097	7,966,869	9.91%
Indonesia (31 December 2016: 0.00%)					
	3,600,000	Bank Negara Indonesia Persero Tbk PT	1,600,902	1,782,780	2.22%
			1,600,902	1,782,780	2.22%
Malaysia (31 December 2016: 0.00%)					
	2,000,000	Econpile Holdings Bhd.	1,060,246	1,164,782	1.45%
	1,602,700	Scicom MSC Bhd.	843,534	858,726	1.07%
	4,000,000	Sunway Construction Group Bhd.	1,876,630	1,882,287	2.34%
			3,780,410	3,905,795	4.86%
South Korea (31 December 2016: 10.20%)					
	18,000	Com2uS Corp.	1,797,214	1,853,253	2.31%
	2,860	Samsung Electronics Co. Ltd.	3,889,631	5,941,721	7.40%
			5,686,845	7,794,974	9.71%
Taiwan (31 December 2016: 11.77%)					
	183,000	Catcher Technology Co. Ltd.	1,515,268	2,186,736	2.72%
	704,000	Hon Hai Precision Industry Co. Ltd.	1,857,140	2,707,692	3.37%
	320,000	Taiwan Semiconductor Manufacturing Co. Ltd.	1,688,976	2,193,294	2.73%
			5,061,384	7,087,722	8.82%

SCHEDULE OF INVESTMENTS (CONTINUED)

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock (31 December 2016: 88.00%) (continued)					
Thailand (31 December 2016: 4.26%)					
	103,000	Siam Cement PCL	1,500,137	1,522,108	1.90%
			1,500,137	1,522,108	1.90%
Vietnam (31 December 2016: 20.32%)					
	610,000	Phu Nhuan Jewelry JSC	740,774	2,731,864	3.40%
	2,112,000	Saigon Securities, Inc.	1,126,177	2,569,038	3.20%
	471,778	Vietnam Dairy Products JSC	1,885,904	3,270,961	4.07%
	1,019,812	Vingroup JSC	1,344,514	1,915,709	2.39%
	3,410,000	VNDirect Securities Corp.	1,504,239	3,240,333	4.04%
			6,601,608	13,727,905	17.10%
Total Common Stock			49,975,281	69,538,624	86.59%
Warrant (31 December 2016: 7.72%)					
France (31 December 2016: 0.00%)					
	434,943	Societe Generale SA 15/08/2017	1,882,861	2,559,809	3.19%
			1,882,861	2,559,809	3.19%
Pakistan (31 December 2016: 5.49%)					
	750,000	Habib Bank Ltd. 01/11/2021	1,736,670	1,924,269	2.40%
	750,000	United Bank Ltd. 12/01/2022	1,829,576	1,681,053	2.09%
			3,566,246	3,605,322	4.49%
Switzerland (31 December 2016: 0.00%)					
	705,000	Credit Suisse AG/Nassau 24/02/2022	1,965,365	3,358,876	4.18%
			1,965,365	3,358,876	4.18%
Total Warrants			7,414,472	9,524,007	11.86%
Total Fair Value of Investments			57,389,753	79,062,631	98.45%

Forward Foreign Currency Contracts (31 December 2016: (0.04%))

Currency Bought	Amount Bought	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss)	% of Net Assets
SGD	877,565	USD	(633,649)	28/07/2017	Brown Brothers Harriman	4,215	0.00%
GBP	629,922	USD	(803,976)	28/07/2017	Brown Brothers Harriman	14,940	0.02%
Total unrealised gains on Forward Foreign Currency Contracts						19,155	0.02%
Total Financial Assets at Fair Value through Profit or Loss						79,081,786	98.47%
USD	514	SGD	(712)	28/07/2017	Brown Brothers Harriman	(3)	0.00%
USD	14,030	GBP	(10,990)	28/07/2017	Brown Brothers Harriman	(258)	0.00%
Total unrealised losses on Forward Foreign Currency Contracts						(261)	0.00%
Total Financial Liabilities at Fair Value through Profit or Loss						(261)	0.00%

SCHEDULE OF INVESTMENTS (CONTINUED)

	Value USD	% of Net Assets
Cash	1,440,946	1.79%
Other Net Liabilities	(212,641)	(0.26%)
Net Assets Attributable to Holders of Redeemable Participating Shares	80,309,830	100.00%

BALANCE SHEET

	Notes	As at 30 June 2017 USD	As at 31 December 2016 USD
Assets			
Financial assets, at cost		57,389,753	52,855,920
Financial assets at fair value through profit or loss			
- Transferable securities		69,538,624	51,227,386
- Warrants		9,524,007	4,492,987
- Financial derivative instruments		19,155	–
Cash		1,440,946	356,976
Dividends receivable		212,222	25,080
Subscriptions receivable		66,293	2,326,424
Total assets		80,801,247	58,428,853
Liabilities			
Financial liabilities at fair value through profit or loss			
- Financial derivative instruments		261	20,404
Bank overdraft		–	7,148
Redemptions payable		13,436	–
Investment management fees	2	65,557	48,097
Administration fees	3	14,347	24,183
Depositary fees	4	13,209	22,006
Directors' fees	5	25,204	20,894
Audit fees		10,105	8,529
Performance fees	2	138,028	212
Professional fees		79,121	58,757
Other liabilities		132,149	2,679
Total liabilities		491,417	212,909
Net Assets Attributable to Holders of Redeemable Participating Shares			
		80,309,830	58,215,944

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

BALANCE SHEET (CONTINUED)

	Notes	As at 30 June 2017	As at 31 December 2016	As at 31 December 2015
Class A Dollar Non-Distributing Class				
Net Assets		USD 5,492,025	USD 4,621,466	USD 5,708,314
Outstanding Redeemable Participating Shares	1	23,461	24,603	29,178
Net Asset Value per Share		USD 234.09	USD 187.84	USD 195.64
Class B Dollar Distributing Class				
Net Assets		USD 1,058,324	USD 871,774	USD 1,282,991
Outstanding Redeemable Participating Shares	1	4,518	4,638	6,554
Net Asset Value per Share		USD 234.25	USD 187.96	USD 195.76
Class C Sterling Distributing Class				
Net Assets		GBP 630,827	GBP 553,306	GBP 583,152
Outstanding Redeemable Participating Shares	1	4,922	5,338	5,409
Net Asset Value per Share		GBP 128.16	GBP 103.65	GBP 107.81
Class D Singapore Dollar Distributing Class				
Net Assets		SGD 893,223	SGD 720,531	SGD 847,239
Outstanding Redeemable Participating Shares	1	2,750	2,750	3,110
Net Asset Value per Share		SGD 324.81	SGD 262.01	SGD 272.40
Class E Singapore Dollar Distributing Class				
Net Assets		SGD 4,654,985	SGD 3,801,301	SGD 3,816,537
Outstanding Redeemable Participating Shares	1	24,037	23,904	23,904
Net Asset Value per Share		SGD 193.66	SGD 159.02	SGD 159.66
Class U Sterling Unhedged Distributing Class				
Net Assets		GBP 53,047,568	GBP 39,761,764	GBP 35,684,220
Outstanding Redeemable Participating Shares	1	330,351	298,159	310,953
Net Asset Value per Share		GBP 160.58	GBP 133.36	GBP 114.76

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

PROFIT AND LOSS ACCOUNT

	Notes	For the period ended 30 June 2017 USD	For the period ended 30 June 2016 USD
Investment income			
Dividend income		717,127	471,197
Interest income		3,580	1,613
Miscellaneous income		9,252	5,997
Net realised (loss)/gain on financial assets and liabilities at fair value through profit or loss		(1,922,332)	(69,027)
Movement in net unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss		18,720,565	(1,607,686)
Total income/(loss)		17,528,192	(1,197,906)
Expenses			
Investment management fees	2	349,053	300,432
Administration fees	3	50,174	54,844
Depositary fees	4	33,910	36,616
Directors' fees	5	20,962	23,580
Audit fees		9,807	11,440
Professional fees		56,387	39,595
Performance fees	2	138,015	21
Transaction costs		134,788	130,098
Other expenses		1,533	2,592
Total expenses		794,629	599,218
Net income/(expense) before finance costs		16,733,563	(1,797,124)
Finance costs			
Overdraft interest		(3)	(324)
Total finance costs		(3)	(324)
Withholding tax on dividends		(72,135)	(25,472)
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations		16,661,425	(1,822,920)

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

	Notes	For the period ended 30 June 2017 USD	For the period ended 30 June 2016 USD
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations		16,661,425	(1,822,920)
Capital Share Transactions of Redeemable Participating Shares			
Proceeds from issuance of Redeemable Participating Shares	1	9,596,534	3,718,874
Payments on redemption of Redeemable Participating Shares	1	(4,164,073)	(10,662,077)
Net increase/(decrease) from Capital Share Transactions of Redeemable Participating Shares		<u>5,432,461</u>	<u>(6,943,203)</u>
Change in Net Assets Attributable to Holders of Redeemable Participating Shares		22,093,886	(8,766,123)
Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the period		58,215,944	64,024,083
Net Assets Attributable to Holders of Redeemable Participating Shares at the end of the period		<u>80,309,830</u>	<u>55,257,960</u>

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 (S.I. No. 420 of 2015), as amended (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, 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 12 and 13, 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 period end.

(ii) Recognition

All regular purchases and sales of financial instruments are recognised on the trade date, subject to receipt before agreed cut-off time, which is the date that the Company commits to purchase or sell an asset. Regular way purchase or sales 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 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 Company measures financial instruments classified as financial assets at fair value through profit or loss at their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction. 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.

Derivative Instruments

Derivative instruments traded on a regulated market shall be valued at the settlement price as determined by the market. If the settlement price is not available the value shall be the probable realisation value estimated with care and in good faith by (i) the Directors or the Investment Manager or (ii) a competent person, firm or corporation selected by the Directors and approved for the purpose by the Depositary or (iii) any other means provided that the value is approved by a competent person (such competent person having been approved for the purpose by the Depositary). Derivative contracts which are not traded on a regulated market including without limitation, swap contracts, will be valued on the basis of a quotation provided daily by the relevant counterparty and verified or approved at least weekly by a party independent of the counterparty, including the Investment Manager, or another independent party which is approved for such purpose by the Depositary. Apart from forward foreign exchange contracts, as at 30 June 2017 and 31 December 2016, the Company did not hold any derivative instruments.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Forward Foreign Currency Contracts

Forward foreign currency contracts shall be valued in the same manner as derivatives contracts which are not traded in a regulated market or by reference to the price at the Valuation Point at which new forward contract of the same size and maturity could be undertaken. The forward foreign currency contracts held by the Company as at 30 June 2017, 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.

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

Units in collective investment schemes shall be valued at the latest available net asset value per unit or bid price as published by the relevant collective investment scheme or, if traded on a Recognised Exchange, in accordance with listed securities above. As at 30 June 2017 and 31 December 2016 the Company did not hold any collective investment schemes units.

Warrants

The Company may invest in warrants. Warrants which are fully paid up and have a zero strike price exhibit the identical risk and return characteristics as in the case where the Company had acquired the underlying equity directly. Such warrants are valued at the last traded price for the underlying equity quoted on the stock exchange or principal market on which it is listed. The warrants held by the Company as at 30 June 2017 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 1st January 2010 (the Company had previously been registered as having distributor status for the year ended 31 December 2009). The Directors, at their discretion, can propose to distribute any of the net investment income of the Class B Dollar Distributing Class, the Class C Sterling Distributing Class, the Class D Singapore Dollar Distributing Class, the Class E Singapore Dollar Distributing Class and the Class U Sterling (Unhedged) Distributing Class of the Company. In the event that a dividend is paid it will be paid out of the net investment income and/or net realised and unrealised capital gains (i.e. realised and unrealised gains net of realised and unrealised losses) of the Company. It is currently anticipated that, if there is net income to distribute, a dividend will be declared in April of each year, and will be paid within two months of declaration. However, the Directors may at their discretion determine the frequency at which a dividend is paid. Shareholders will be notified of any change in the frequency of the payment of dividends. Distributions to holders of redeemable participating shares are recorded in the Profit and Loss Account as finance costs when paid. As at 30 June 2017 and 30 June 2016 no distributions were paid or payable from the Company.

Foreign Exchange Translation

Functional and Presentation Currency

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign Exchange Translation (continued)

Transactions and Balances

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

Investment Transactions and Investment Income

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

Interest Income and Interest Expenses

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

Dividend Income

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

Transaction Costs

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

Expenses

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

NOTES TO THE FINANCIAL STATEMENTS

1. Share Capital*Authorised*

The authorised capital of the Company is Euro ("EUR") 300,000 divided into 300,000 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 authorised, 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 period ended 30 June 2017 is as follows:

	Class A Dollar Non-Distributing Class Shares	Class B Dollar Distributing Class Shares	Class C Sterling Distributing Class Shares
At the beginning of the period	24,603	4,638	5,338
Redeemable Participating Shares issued	–	–	–
Redeemable Participating Shares redeemed	(1,142)	(120)	(416)
At the end of the period	23,461	4,518	4,922

	Class D Singapore Dollar Distributing Class Shares	Class E Singapore Dollar Distributing Class Shares	Class U Sterling Unhedged Distributing Class Shares
At the beginning of the period	2,750	23,904	298,159
Redeemable Participating Shares issued	–	133	53,441
Redeemable Participating Shares redeemed	–	–	(21,249)
At the end of the period	2,750	24,037	330,351

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Share Capital (continued)

Redeemable Participating Shares (continued)

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

	Class A Dollar Non-Distributing Class Shares	Class B Dollar Distributing Class Shares	Class C Sterling Distributing Class Shares
At the beginning of the period	29,178	6,554	5,409
Redeemable Participating Shares issued	80	570	–
Redeemable Participating Shares redeemed	(2,778)	(1,750)	–
At the end of the period	26,480	5,374	5,409

	Class D Singapore Dollar Distributing Class Shares	Class E Singapore Dollar Distributing Class Shares	Class U Sterling Unhedged Distributing Class Shares
At the beginning of the period	3,110	23,904	310,953
Redeemable Participating Shares issued	–	–	22,815
Redeemable Participating Shares redeemed	–	–	(60,680)
At the end of the period	3,110	23,904	273,088

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

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

2. Investment Management Fees

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

The Investment Manager receives from the Company a fee of 1.5% per annum of the NAV of the Company together with Value Added Tax (“VAT”), if any, on such fee. 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 shall not be charged an Investment Management Fee. The Investment Management Fee payable in respect of the Class U Sterling (Unhedged) Distributing Class shall be subject to a maximum fee of 1% per annum of the NAV of the Company together with VAT, if any on such fee.

The Investment Manager earned a fee of USD 349,053 during the period ended 30 June 2017 (USD 300,432: 30 June 2016), of which USD 65,557 is outstanding at the period end (USD 48,097: 31 December 2016).

Performance fee and equalisation

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Investment Management Fees (continued)

Performance fee and equalisation (continued)

For each Calculation Period, the Performance Fee in respect of each Share for Classes A, B, C and D will be equal to 10% of the appreciation in the Net Asset Value per Share during that Calculation Period above the base Net Asset Value per Share. The base Net Asset Value per Share is the greater of the Net Asset Value per Share at the time of issue of that Share and the highest Net Asset Value per Share achieved as at the end of any previous Calculation Period (if any) during which such Share was in issue.

The Performance Fee in respect of each Class U Sterling (Unhedged) Distributing Share ("Class U Share") will be equal to 10% of the Net Percentage Outperformance (as defined below) by the Class U Sterling (Unhedged) Distributing Shares of the performance of the MSCI AC Asia Pacific ex-Japan Gross Return USD Index ("M2APJ") (the "Index Performance") during that Calculation Period multiplied by the Net Asset Value per Share of the Class U Shares as at the beginning of the Calculation Period. The net percentage outperformance in respect of Calculation Periods where Class U Performance is greater than Index Performance is the arithmetic difference between Index Performance expressed in GBP and Class U Performance, expressed as a percentage (the "Net Percentage Outperformance").

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

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 Fees which are paid or payable to the Investment Manager. Details of the Performance fees and Equalisation fees charged to the Company and payable at the end of the period are included in the Profit and Loss Account and Balance Sheet, respectively.

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

A Performance Fee of USD 138,015 was earned during the period ended 30 June 2017 (USD 21: 30 June 2016), which includes USD Nil due to the issuance of redeemable participating shares in exchange for cancellation of performance fee equalisation credits (USD Nil: 30 June 2016). The performance fee outstanding at the end of the period was USD 138,028 (USD 212: 31 December 2016), which includes USD Nil of an additional performance fee (USD Nil: 31 December 2016).

3. Administration Fees

The Company pays Brown Brothers Harriman Fund Administration Services (Ireland) Limited (the "Administrator") an annual 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 charge of USD 4,000 per month. Additional Classes in excess of two Classes shall be charged at USD 250 per month. The Administrator is also entitled to receive registration fees and transaction and reporting charges at normal commercial rates which shall accrue daily and be paid monthly in arrears.

The Administrator is also be 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 50,174 during the period ended 30 June 2017 (USD 54,844: 30 June 2016), of which USD 14,347 is outstanding at the period end (USD 24,183: 31 December 2016).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Depositary Fees

Until 25 May 2017, the Company paid Brown Brothers Harriman Trustee Services (Ireland) Limited (the “Depositary”) a depositary fee of 0.02% of the NAV per annum. The depositary fees were payable monthly in arrears, subject to a minimum charge of USD 36,000. From 25 May 2017, the Company pays a depositary fee of 0.023% of the NAV per annum 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 18,000 per annum.

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

The Depositary earned a fee of USD 33,910 during the period ended 30 June 2017 (USD 36,616: 30 June 2016), of which USD 13,209 is outstanding at the period end (USD 22,006: 31 December 2016).

5. Directors’ Fees

The Directors of the Company are entitled to a fee in remuneration for their services of EUR 15,000 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 6).

The Directors earned fees of USD 20,962 during the period ended 30 June 2017 (USD 23,580: 30 June 2016), of which USD 25,204 is outstanding at the period end (USD 20,894: 31 December 2016).

6. Related Parties*Directors*

Heather Manners, a Director of the Company, is Chief Investment Officer of the Investment Manager and has not been paid a fee for the periods ended 30 June 2017 and 30 June 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 30 June 2017:

Related Party	Shares held	Share Class
David Hammond (Family members)	835	Class A Dollar Non-Distributing Class
Heather Manners	11,966	Class E Singapore Dollar Distributing Class
Thomas Naughton (Partner of the Investment Manager)	7,458	Class E Singapore Dollar Distributing Class
Tony Morris	3,000	Class E Singapore Dollar Distributing Class
Tony Morris (Family member)	98	Class U Sterling Unhedged Distributing Class
Richard Hayes	1,262	Class E Singapore Dollar Distributing Class
Prusik Investment Management Singapore PTE Ltd	133	Class E Singapore Dollar Distributing Class
Amirah Rani (employee of the Investment Manager)	85	Class E Singapore Dollar Distributing Class

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

Related Party	Shares held	Share Class
David Hammond (Family members)	835	Class A Dollar Non-Distributing Class
Heather Manners	11,966	Class E Singapore Dollar Distributing Class
Thomas Naughton (Partner of the Investment Manager)	7,458	Class E Singapore Dollar Distributing Class
Tony Morris	3,000	Class E Singapore Dollar Distributing Class
Tony Morris (Family member)	98	Class U Sterling Unhedged Distributing Class
Richard Hayes	1,262	Class E Singapore Dollar Distributing Class
Han Leng Chow (employee of the Investment Manager)	133	Class E Singapore Dollar Distributing Class
Amirah Rani (employee of the Investment Manager)	85	Class E Singapore Dollar Distributing Class

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Taxation

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

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

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

8. Soft Commission Agreements

During the periods ended 30 June 2017 and 30 June 2016, the Investment Manager entered into soft commission arrangements with brokers/dealers in respect of which certain services used to support the investment decision process were received. The Investment Manager does not make direct payment for these services but does transact an agreed amount of business with the brokers on behalf of the Company and commission is paid on these transactions.

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

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

9. Efficient Portfolio Management

During the period ended 30 June 2017, the Company did not hold any instruments for the purposes of efficient portfolio management (31 December 2016: None).

10. Exchange Rates

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

	30 June 2017	31 December 2016
Australian Dollar	1.3011	1.3833
British Pound Sterling	0.7698	0.8129
Euro	0.8765	0.9483
Hong Kong Dollar	7.8052	7.7540
Indian Rupee	64.6675	67.8700
Indonesian Rupiah	13,327.5000	—
Malaysian Ringgit	4.2927	—
Singapore Dollar	1.3763	—
South Korean Won	1,144.1500	1,207.8000
Taiwan Dollar	30.4200	32.2290
Thailand Baht	33.9700	35.8105
Vietnamese Dong	22,731.0000	22,771.0000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Financial Risk Management

Fair Value Estimation

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

The fair value hierarchy has the following levels:

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

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

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

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following table provides an analysis within the fair value hierarchy of the Company’s financial assets and liabilities measured at fair value at 30 June 2017 and 31 December 2016:

As at 30 June 2017

Financial Assets at Fair Value Through Profit or Loss

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Common Stock	69,538,624	–	–	69,538,624
Warrants	–	9,524,007	–	9,524,007
Forward Foreign Currency Contracts	–	19,155	–	19,155
Total Financial Assets at Fair Value Through Profit or Loss	69,538,624	9,543,162	–	79,081,786

Financial Liabilities at Fair Value Through Profit or Loss

Forward Foreign Currency Contracts	–	(261)	–	(261)
Total Financial Liabilities at Fair Value Through Profit or Loss	–	(261)	–	(261)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Financial Risk Management (continued)

Fair Value Estimation (continued)

As at 31 December 2016

Financial Assets at Fair Value Through Profit or Loss

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Common Stock	51,227,386	–	–	51,227,386
Warrants	–	4,492,987	–	4,492,987
Total Financial Assets at Fair Value Through Profit or Loss	51,227,386	4,492,987	–	55,720,373

Financial Liabilities at Fair Value Through Profit or Loss

Forward Foreign Currency Contracts	–	(20,404)	–	(20,404)
Total Financial Liabilities at Fair Value Through Profit or Loss	–	(20,404)	–	(20,404)

12. Portfolio Analysis

As at 30 June 2017

	Market Value USD	% of Total Assets
Transferable securities admitted to an official exchange listing	69,538,624	86.06
Other securities	9,524,007	11.79
Financial derivative instruments (Forward Foreign Currency Contracts)	18,894	0.02
Net financial assets at fair value through profit or loss	79,081,525	97.87

As at 31 December 2016

	Market Value USD	% of Total Assets
Transferable securities admitted to an official exchange listing	51,227,386	87.67
Other securities	4,492,987	7.69
Financial derivative instruments (Forward Foreign Currency Contracts)	(20,404)	(0.03)
Net financial assets at fair value through profit or loss	55,699,969	95.33

13. Comparatives

The comparative figures are for the period ended 30 June 2016 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 2016 for the Balance Sheet.

14. Significant Events during the Period

The Company's Prospectus has been updated on 25 May 2017. Effective from 25 May 2017, the depositary fee changed from 0.02% to 0.023% of the NAV of the Fund, and the minimum charge payable monthly in arrears changed from USD 36,000 to USD 18,000 per Fund per annum. There were no other significant updates in the Prospectus.

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

15. Events since the Period End

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Approval of Financial Statements

The unaudited financial statements were approved by the Directors on 25 August 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 period ended 30 June 2017

Security Description	Acquisitions Nominal	Cost USD
Godrej Properties Ltd.	240,000	2,056,785
ICICI Prudential Life Insurance Co. Ltd.	300,000	2,043,065
Sunway Construction Group Bhd	4,000,000	1,871,948
Tong Hsing Electronic Industry	440,000	1,865,005
Uni-president China Holdings	2,540,000	1,848,198
Com2uS Corp.	18,000	1,793,626
Chow Sang Sang Holdings International Ltd.	770,000	1,734,162
Bank Negara Indonesia Persero Tbk PT	3,600,000	1,596,925
Alibaba Group Holding Ltd.	15,000	1,521,321
Catcher Technology Co. Ltd.	183,000	1,512,244
Siam Cement PCL	103,000	1,496,934
Standard Chartered Bank	130,000	1,194,045
Econpile Holdings Bhd	2,000,000	1,057,559
Indiabulls Housing Finance Ltd.	90,000	955,176
Scicom MSC Bhd	1,602,700	841,369

Major Sales for the period ended 30 June 2017

Security Description	Disposals Nominal	Proceeds USD
Sino-Thai Engineering & Construction PCL	3,200,000	2,321,884
Silicon Motion Technology Corp.	47,000	1,804,908
Naver Corp.	2,600	1,729,304
Anta Sports Products Ltd.	540,000.00	1,693,890
Tong Hsing Electronic Industry	440,000.00	1,677,833
Uni-president China Holdings	2,540,000.00	1,677,505
Baidu, Inc.	9,500.00	1,648,870
Nexteer Automotive Group Ltd.	1,300,000.00	1,532,897
BYD Co. Ltd.	255,000	1,400,589
Standard Chartered Bank	130,000	1,276,138
Hoa Phat Group JSC	650,000.00	1,151,360
HTC Corp.	500,000	1,122,449
Haitong International Securities Group Ltd.	1,217,974	686,391
Vietnam Dairy Products JSC	100,000.00	570,424

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
15-16 Brook's Mews
London, W1K 4DS
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 Asia Fund plc
33 Sir John Rogerson's Quay
Dublin 2
Ireland

ADMINISTRATOR

Brown Brothers Harriman Fund Administration
Services (Ireland) Limited
30 Herbert Street
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
One Ropemaker Street
London, EC2Y 9SS
United Kingdom

Appendix 1 – Report on Remuneration

The European Union Directive 2014/91/EU (known as the “UCITS V Directive”) came into effect on 21 March 2016. The Company operates a remuneration policy in accordance with applicable UCITS requirements and the principles outlined in the ESMA guidelines on sound remuneration policies under the UCITS Directive (the “Remuneration Guidelines”) 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.

The Company’s remuneration policy applies to certain identified staff of the Company and of its delegates whose professional activities have a material impact on the risk profile of the Company. As at 30 June 2017, the Company did not have any employees and the Company’s remuneration policy applies only to members of the Company’s management body (i.e. the board of directors) and certain members of the staff of the Investment Manager, which also employs an equivalent remuneration policy under corresponding regulations that apply to the Investment Manager. The directors not affiliated with the Investment Manager receive a fixed annual fee which is in line with the fees paid by other Irish funds and compensates these directors for their tasks, expertise and responsibilities. Directors that are employees of the Investment Manager (or an affiliate) are not paid any fees for their services as directors.

Quantitative remuneration disclosures as required by paragraphs (a) and (b) of Regulation 89(3A) of the UCITS Regulations will be included in the financial statements for the year ending 31 December 2017. The disclosures required by paragraphs (c) and (d) of Regulation 24(B) of the UCITS Regulations will also be made at this time following the first annual review of the remuneration policy.

The remuneration policy was amended to take account of the issue of the Remuneration Guidelines in October 2016, and in particular the requirements in relation to delegated management functions, but no other material changes have been made to the remuneration policy since its adoption.