

PRUSIK ASIAN SMALLER COMPANIES FUND PLC

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

**Condensed Semi-Annual Report and Unaudited Financial Statements
For the Financial Period Ended 30 June 2018**

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GENERAL INFORMATION

Prusik Asian Smaller Companies Fund plc (the “Company”) is a public limited liability investment company with variable capital, incorporated on 11 January 2008 in Ireland pursuant to Part 24 of the Companies Act 2014 and authorized by the Central Bank of Ireland (the “Central Bank”) under 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 8 February 2008. There are six share classes available to investors in the Company:

- Class A Dollar Non-Distributing Class (first issued on 8 February 2008)
- Class B Dollar Distributing Class (first issued on 8 February 2008)
- Class C Sterling Distributing Class (first issued on 25 April 2008)
- Class D Singapore Dollar Distributing Class (first issued on 22 December 2009)
- Class E Singapore Dollar Distributing Class (first issued on 21 September 2011)
- Class U Sterling (Unhedged) Distributing Class (first issued on 1 July 2013)

Brown Brothers Harriman Fund Administration Services (Ireland) Limited (the “Administrator”) determines the Net Asset Value (“NAV”) per Share of each Class of the Company every Friday of each calendar month (“Dealing Day”) provided that Dealing Day is a business day, or if such day is not a business day, on the following business day. The valuation point is 11.00 am (Irish time) on each Dealing Day.

The most recent Prospectus of the Company is dated 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 and Australasian region.

In pursuit of its investment objective the Company invests in emerging companies operating in Asia including Australia, New Zealand, Hong Kong, Taiwan, South Korea, China, India, Sri Lanka, Pakistan, Thailand, Indonesia, Malaysia, Singapore, Vietnam and the Philippines and generally seeks to invest, on average, in companies which have a price to book value ratio and a price/earnings ratio below the level then prevailing in the market of that sector. The Company pursues its investment objective primarily by taking short and long positions in publicly traded common stocks and other equity securities of Asian issuers and Australasian issuers. In addition, the Company’s investments are likely to include situations where an event has triggered a change in the market’s perception of the future outlook for a specific company or industry. The Policy will also enable the Company to invest in equity securities of issuers in Recognised Markets outside of Asia and Australasia and in debt and other fixed-income securities of Asian and Australasian and other issuers in Recognised Markets.

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

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

GENERAL INFORMATION (CONTINUED)

Investment Objective (continued)

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

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

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

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

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

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

INVESTMENT MANAGER'S REPORT

Prusik Asian Smaller Companies Fund Half Year Report June 2018

1Q18 Performance

An Overview

During the quarter, the fund fell by 2.8% in US dollar terms, whilst the M2APJ index fell by 0.7%, resulting in a 2.1% underperformance for the fund. Small caps, overall, in Asia were slightly weaker during the quarter with the Asia ex-Japan small cap index falling by 34bps more than the main index.

Performance by Theme

In terms of performance by theme, our leisure/tourism, financialisation and communication tech themes saw returns above the index with leisure/tourism seeing particularly strong absolute as well as relative returns, led by Cambodian casino operator, **Nagacorp**, and Vietnamese duty free store operator, **Taseco Air Services**. Our modern retail and local brands themes were slightly weaker than the index, whilst the greatest drag in both absolute and relative returns in the quarter came from our infrastructure theme as Vietnamese developer, **Coteccons**, corrected.

Theme	PASCF Absolute Attribution 1Q18
Leisure & Tourism	1.00%
Communication Tech	0.07%
Financialisation	0.04%
Local Brands	-0.75%
Modern Retail	-0.87%
Infrastructure	-1.59%

Source – Bloomberg/Prusik

Performance by Geography

By country, we saw very healthy relative and absolute returns in Cambodia, Indonesia and the Philippines as well as positive absolute returns in Pakistan and Sri Lanka.

Our Vietnam exposures were flattish in the quarter overall, although this belies far greater gyrations at a stock level where strong returns from brokerage company, **Ho Chi Minh City Securities**, the aforementioned **Taseco Air Services** and software company, **FPT Corp**, were offset by corrections in leading electronics retailer, **Mobile World** and property developer, **Coteccons**. We would also note that the fund's flattish returns in Vietnam were quite different to the index on account of our small cap bias, as continued flows into ETFs and large-cap index positions in Vietnam drove the index there much higher.

India, however, was the key reason for the fund's negative return in the quarter on account of the authorities' announcement in this year's budget that Indian equities will be subject to long term capital gains tax of 10% from this financial year. While this news was disappointing, as it seemingly goes against the notion of free capital markets in addition to appearing unnecessarily punitive for a market where the financialisation of assets is still at such a nascent stage, we nevertheless remain wholly positive on India as one of the best long-term growth stories at large in Asia today.

INVESTMENT MANAGER'S REPORT (CONTINUED)

Prusik Asian Smaller Companies Fund Half Year Report June 2018 (continued)

	PASCF Weighting (%)	PASCF Return (%)	Index Return (%)	PASCF Relative Performance (%)
Cambodia	3.5	33.4	0.2	33.2
Indonesia	11.5	6.5	-6.7	13.3
Philippines	4.2	0.7	-11.5	12.1
India	31.0	-11.1	-6.8	-4.3
Sri Lanka	9.8	0.7	5.6	-4.8
Pakistan	6.6	4.5	11.4	-6.8
Malaysia	2.2	-5.2	9.1	-14.3
Singapore	1.3	-15.5	1.3	-16.8
Vietnam	27.9	-0.6	17.8	-18.4

Source – Bloomberg/Prusik

Performance by Stock

From a stock perspective, the top contributors to performance in the quarter were Vietnamese brokerage, **Ho Chi Minh City Securities**, Cambodian casino operator, **Nagacorp**, and our organised retailer of building materials and lifestyle goods in Indonesia, **Ace Hardware**. Strong returns were also seen from **Habib Bank** in Pakistan, our Indonesian dairy brand, **Ultrajaya**, and Vietnamese duty free store operator, **Taseco Air Services**. The key detractors in the month were Vietnamese property developer, **Coteccons**, and our Indian non-bank financials, **Edelweiss Financial Services** and **Repc Home Finance**. **Mobile World** was also unhelpful in the quarter on account of a slight correction combined with its relatively large weighting in the fund.

Currency

Finally, currency movements accounted for a significant portion of the fund's negative return in the quarter, marking a reversal of the positive contribution that currencies had on performance in 2017. During the quarter, the Philippine peso and the Pakistan rupee were particularly weak, falling by more than 4%. In the case of Pakistan, the authorities engendered a second depreciation of the currency, following a first depreciation in December 2017. This was largely welcomed by the market for its ability to ease the pressure on the country's balance of payments, plus this had been the longstanding advice of the IMF. The Indian rupee fell by 2.0% in the quarter, while the Indonesian rupiah and the Sri Lankan rupee fell by around 1.5%.

2Q18 Performance

An Overview

The second quarter of 2018 was a particularly tough period for the fund with the fund witnessing an 8.98% decline in NAV, 5.59% poorer than the Asia ex-Japan index decline of 3.39%. While small caps in Asia also fell more than the broader Asia index, declining by 4.66% in the second quarter, the fund's fall still outstripped Asian small caps. Currency continued to be a key factor with roughly a third of the negative performance in the quarter attributable to currency depreciation, in particular in India, Pakistan and Indonesia.

All of that said, it is worth noting that in terms of performance by geography, the fund outperformed the local index in the majority its invested countries in the second quarter, with the exception of Pakistan and Indonesia (outperformance for 79.5% of the fund). We believe this broad outperformance by geography highlights the quality of the fund's underlying holdings, and indeed, a possible strengthening in the fund's quality following select changes in the first and early part of the second quarter.

In short, while the absolute performance of the fund in the second quarter is a clear disappointment, we believe the quality of our invested companies remains high and that latent performance for the fund continues to build as the severity of the correction in many stocks is at odds with otherwise robust company fundamentals. In addition, and as a reminder, the fund's overlap by geography with the index is just 14% and as such the fund's performance is likely to diverge from the index by some margin. Finally, with the total population of our countries exceeding 2 billion people and with the average income per capita at just one tenth of that seen in developed Asia, the long term growth opportunity for the fund remains vast.

INVESTMENT MANAGER'S REPORT (CONTINUED)

Prusik Asian Smaller Companies Fund Half Year Report June 2018 (continued)

Performance by Theme

In terms of performance by theme, modern retail was the only theme which outperformed the Asia index performance in the quarter. Philippines based convenience store, **Philippine Seven**, Indian mall operator, **Phoenix Mills** and Vietnamese phone and white goods retailer, **Mobile World** all posted positive returns. However, on an absolute basis, even this better performing theme saw a slight negative absolute return in 2Q18. All remaining themes saw a negative return on capital in the quarter. Breaking this down further, our communication tech and leisure/tourism themes saw returns only slightly below the index, while infrastructure, financialisation and local brands delivered returns more meaningfully below the index. Across the weaker themes, Indonesian mortgage lender, **Bank Tabungan**, Toyota franchise in Pakistan, **Indus Motor**, and air conditioner champion in Vietnam, **Refrigeration Electrical**, stood out as the key detractors.

Theme	PASCFAbsolute Attribution 2Q18
Modern Retail	-0.26%
Communication Tech	-0.80%
Infrastructure	-1.22%
Leisure & Tourism	-1.65%
Financialisation	-2.17%
Local Brands	-2.50%

Source – Bloomberg/Prusik

Performance by Geography

In terms of performance by geography, while the fund's absolute positive returns in the quarter were limited to Singapore, driven by our ASEAN ecommerce and mobile gaming company, Sea Ltd, the fund outperformed the local index in all of its geographies with the exception of Pakistan and Indonesia. These outperforming geographies combined represented 79.5% of the fund in the second quarter. By country the fund outperformed in Singapore by 40.6%, in the Philippines by 10.1% and in Malaysia, Vietnam, India and Sri Lanka by roughly 3% to 9%. The table below shows the full details.

	Weighting (%)	PASCFReturn (%)	Index Return (%)	PASCFRelative Performance
Singapore	1.8	33.1	-7.5	40.6
Philippines	7.3	-0.9	-10.9	10.1
Malaysia	3.1	-2.8	-11.4	8.7
Vietnam	24.5	-10.0	-16.7	6.7
India	31.1	-2.8	-8.8	6.0
Sri Lanka	11.7	-5.6	-8.1	2.6
Pakistan	7.0	-27.4	-20.2	-7.2
Indonesia	10.9	-21.6	-12.1	-9.5

Source – Bloomberg/Prusik

In Pakistan, our holdings were weak across the board, whilst a third round of depreciation of the currency by the authorities to the tune of 4.7% was also unhelpful. In Indonesia, stock declines were led by leading mortgage provider, **Bank Tabungan Negara**.

INVESTMENT MANAGER'S REPORT (CONTINUED)

Prusik Asian Smaller Companies Fund Half Year Report June 2018 (continued)

Performance by Stock

From a stock perspective, the top contributors to performance in the quarter were Philippines convenience store, **Philippine Seven**, as tax reforms boosted incomes and led to higher spending at its stores, Indian wealth manager, **Edelweiss**, and ASEAN ecommerce and mobile gaming play, **Sea Ltd**. The common feature for our strongly performing stocks in the quarter was earnings results far in excess of expectations. As mentioned, the chief drags were largely to be found in Indonesia and Pakistan. At the time of writing we have reduced our weighting in Pakistan, exiting **Habib Bank** and **Pak Elektron** but still hold **Pakistan Stock Exchange** and **Indus Motor**. In the case of the latter two companies, we believe the strong competitive position and attractive valuation in each case merits continued investment.

Currency

The currency weakness we had seen in the first quarter continued into the second quarter with currency depreciation accounting for roughly one third of the fund's decline in the quarter. More specifically, during the second quarter the Indian rupee fell by 4.9%, the Pakistan rupee fell by 4.7% and the Indonesian rupiah fell by 3.5%. For 1H18 overall, currency weakness has driven 40% of the fund's fall. We believe the correction in the Indian rupee, in particular, is starting to look overdone.

Outlook

Rising interest rates in the US, high oil prices and the ensuing pressure on existing current and fiscal deficits for our invested countries has caused currencies to weaken and investors to look for alternative refuge for their capital. While this is not without logic in the short term, we think it is important to recognise the relative strength of our invested countries' economies when compared to the 2013 'taper tantrum' period (namely, when we last witnessed the impact of a change in the Fed balance sheet management) and that the long term drivers of demographics and rising incomes in our invested countries remain intact and inevitable.

In addition, while the threat, or indeed reality, of trade wars hovers and geopolitics in the West is becoming increasingly insular, inward looking and uncooperative, we would note that the reverse is happening in Asia. Intra-Asia trade is increasing with a rising number of countries in Asia signing trade agreements and operating on a tariff-free basis. Moreover, China continues to be a vital source of infrastructure and development financing in the region and the growth in low cost airlines, infrastructure investment and China's 'Belt and Road' initiative continues to build out Asia's physical interconnectedness. We have just returned from a comprehensive trip to Asia, visiting the Philippines, Vietnam, Singapore and Sri Lanka, and, anecdotally, we would note the widely-voiced view that there has been a perceptible tilt in the world's balance of power towards Asia as a result of weakening ties and institutions in the West. Against such a backdrop, and supported by demographics and technological progress, we believe the long term outlook for the fund's key themes of consumption, financial services, infrastructure and online services in our invested countries looks very positive.

In the coming months, the factors to watch are whether or not the recent dollar strength is sustained, how much further the US 10-year bond yield climbs and liquidity. A continuation of recent trends could see headwinds for the fund persist in the near term before the increasing value which is emerging for our holdings and solid earnings growth which we expect our companies to deliver reasserts itself. At 1.58x price to book, Asia now sits close to its 1.4x price to book trough which historically has nearly always proved to be an attractive entry point for buying Asia.

SCHEDULE OF INVESTMENTS

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock (31 December 2017: 91.92%)					
India (31 December 2017: 35.58%)					
	523,000	Aditya Birla Fashion & Retail Ltd.	1,464,293	1,050,546	2.68%
	396,000	Crompton Greaves Consumer Electricals Ltd.	1,215,767	1,307,418	3.34%
	344,000	Edelweiss Financial Services Ltd.	1,562,093	1,492,036	3.81%
	75,000	Finolex Industries Ltd.	706,095	632,190	1.62%
	162,000	Future Retail Ltd.	1,264,760	1,356,064	3.46%
	233,000	IRB Infrastructure Developers Ltd.	742,005	717,355	1.83%
	850,000	IRB InvIT Fund	1,197,540	984,697	2.52%
	38,000	MakeMyTrip Ltd.	1,379,826	1,328,100	3.39%
	134,000	Phoenix Mills Ltd.	961,166	1,296,885	3.31%
	41,000	PVR Ltd.	234,955	818,772	2.09%
	50,000	Repco Home Finance Ltd.	636,707	402,432	1.03%
	17,000	Shankara Building Products Ltd.	392,316	384,938	0.98%
			11,757,523	11,771,433	30.06%
Indonesia (31 December 2017: 10.12%)					
	22,999,800	Ace Hardware Indonesia Tbk PT	1,941,881	2,038,363	5.21%
	7,300,000	Bank Tabungan Negara Persero Tbk PT	1,275,015	1,248,081	3.19%
	21,357,500	Sarana Menara Nusantara Tbk PT	1,289,406	924,051	2.36%
			4,506,302	4,210,495	10.76%
Malaysia (31 December 2017: 0.00%)					
	1,800,000	Muhibbah Engineering M Bhd.	1,469,598	1,336,799	3.42%
			1,469,598	1,336,799	3.42%
Pakistan (31 December 2017: 1.51%)					
	16,000	Indus Motor Co. Ltd.	250,722	185,362	0.47%
	2,900,000	Pakistan Stock Exchange Ltd.	674,587	471,593	1.21%
			925,309	656,955	1.68%
Philippines (31 December 2017: 4.05%)					
	4,000,000	Bloomberry Resorts Corp.	1,126,910	730,782	1.87%
	973,212	Philippine Seven Corp.	590,098	2,644,226	6.75%
			1,717,008	3,375,008	8.62%
Singapore (31 December 2017: 1.50%)					
	61,000	Sea Ltd.	967,185	893,650	2.28%
			967,185	893,650	2.28%
Sri Lanka (31 December 2017: 7.81%)					
	18,200,000	Dialog Axiata PLC	1,561,453	1,656,114	4.23%
	1,320,000	Hemas Holdings PLC	964,405	935,052	2.39%
	1,380,000	John Keells Holdings PLC	1,479,043	1,285,384	3.28%
	1,632,940	Melstacorp PLC	608,236	538,638	1.38%
			4,613,137	4,415,188	11.28%
Vietnam (31 December 2017: 28.39%)					
	1,169,406	FPT Corp.	1,162,871	2,113,921	5.40%
	664,800	Mobile World Investment Corp.	1,544,598	3,301,196	8.43%
	163,480	Power Construction JSC No.1	231,890	230,008	0.59%

SCHEDULE OF INVESTMENTS (CONTINUED)

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock (31 December 2017: 91.92%) (continued)					
Vietnam (31 December 2017: 28.39%) (continued)					
	750,000	Refrigeration Electrical Engineering Corp.	1,049,954	1,042,143	2.66%
	77,700	Sai Gon Cargo Service Corp.	554,923	624,105	1.60%
	475,840	Taseco Air Services JSC	1,361,175	1,303,728	3.33%
	540,000	Vincom Retail JSC	1,037,114	912,643	2.33%
			6,942,525	9,527,744	24.34%
		Total Common Stock	32,898,587	36,187,272	92.44%
Warrant (31 December 2017: 3.32%)					
Pakistan (31 December 2017: 1.85%)					
	67,000	Indus Motor Co. Ltd. 25/10/2021	985,167	776,202	1.98%
			985,167	776,202	1.98%
		Total Warrants	985,167	776,202	1.98%
		Total Fair Value of Investments	33,883,754	36,963,474	94.42%

Forward Foreign Currency Contracts (31 December 2017: 0.12%)

Currency Bought	Amount Bought	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) USD	% of Net Assets
SGD	1,163,906	USD	(854,250)	30/07/2018	Brown Brothers Harriman	134	0.00%
USD	60,592	GBP	(45,849)	30/07/2018	Brown Brothers Harriman	224	0.00%
					Total unrealised gains on Forward Foreign Currency Contracts	358	0.00%
					Total Financial Assets at Fair Value through Profit or Loss	36,963,832	94.42%
USD	15,582	SGD	(21,248)	30/07/2018	Brown Brothers Harriman	(15)	0.00%
USD	32,334	SGD	(44,216)	30/07/2018	Brown Brothers Harriman	(124)	0.00%
USD	172,884	GBP	(131,922)	30/07/2018	Brown Brothers Harriman	(812)	0.00%
GBP	3,438,015	USD	(4,544,189)	30/07/2018	Brown Brothers Harriman	(17,519)	(0.05%)
					Total unrealised losses on Forward Foreign Currency Contracts	(18,470)	(0.05%)
					Total Financial Liabilities at Fair Value through Profit or Loss	(18,470)	(0.05%)

	Value USD	% of Net Assets
Cash	2,294,185	5.86%
Other Net Liabilities	(89,581)	(0.23%)
Net Assets Attributable to Holders of Redeemable Participating Shares	39,149,966	100.00%

BALANCE SHEET

	Notes	As at 30 June 2018 USD	As at 31 December 2017 USD
Assets			
Financial assets, at cost		33,883,754	41,760,037
Financial assets at fair value through profit or loss			
- Transferable securities		36,187,272	50,580,936
- Warrants		776,202	1,829,100
- Financial derivative instruments		358	63,589
Cash		2,294,185	509,217
Dividends receivable		65,138	–
Subscriptions receivable		–	2,948,751
Other assets		3,659	–
Total assets		39,326,814	55,931,593
Liabilities			
Financial liabilities at fair value through profit or loss			
- Financial derivative instruments		18,470	101
Payable for investments purchased		–	192,599
Redemptions payable		12,327	66,946
Investment management fees	2	47,009	60,123
Administration fees	3	14,978	14,662
Depositary fees	4	15,488	16,826
Directors' fees	5	2,637	6,004
Audit fees		8,352	21,355
Performance fees	2	2,146	317,920
Professional fees		55,265	72,980
Other liabilities		176	138,027
Total liabilities		176,848	907,543
Net Assets Attributable to Holders of Redeemable Participating Shares		39,149,966	55,024,050

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

BALANCE SHEET (CONTINUED)

	Notes	As at 30 June 2018	As at 31 December 2017	As at 31 December 2016
Class A Dollar Non-Distributing Class				
Net Assets		USD 30,883,346	USD 32,743,715	USD 25,663,567
Outstanding Redeemable Participating Shares	1	199,225	186,848	172,074
Net Asset Value per Share		USD 155.02	USD 175.24	USD 149.14
Class B Dollar Distributing Class				
Net Assets		USD 603,074	USD 11,704,100	USD 10,114,140
Outstanding Redeemable Participating Shares	1	4,008	68,344	68,416
Net Asset Value per Share		USD 150.47	USD 171.25	USD 147.83
Class C Sterling Distributing Class				
Net Assets		GBP 3,332,680	GBP 3,879,403	GBP 3,352,051
Outstanding Redeemable Participating Shares	1	43,077	43,584	43,001
Net Asset Value per Share		GBP 77.37	GBP 89.01	GBP 77.95
Class D Singapore Dollar Distributing Class				
Net Assets		SGD 1,122,036	SGD 1,380,256	SGD 1,793,969
Outstanding Redeemable Participating Shares	1	5,459	5,867	8,771
Net Asset Value per Share		SGD 205.54	SGD 235.26	SGD 204.52
Class E Singapore Dollar Distributing Class				
Net Assets		SGD 2,096,287	SGD 2,305,286	SGD 2,055,364
Outstanding Redeemable Participating Shares	1	14,215	14,215	14,070
Net Asset Value per Share		SGD 147.47	SGD 162.17	SGD 146.08
Class U Sterling Unhedged Distributing Class				
Net Assets		GBP 699,519	GBP 1,912,388	GBP 2,011,511
Outstanding Redeemable Participating Shares	1	6,799	16,760	18,591
Net Asset Value per Share		GBP 102.89	GBP 114.10	GBP 108.20

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

PROFIT AND LOSS ACCOUNT

	Notes	For the period ended 30 June 2018 USD	For the period ended 30 June 2017 USD
Investment income			
Dividend income		620,495	352,622
Interest income		4,025	3,078
Miscellaneous income		8,608	10,322
Net realised gain on financial assets and liabilities at fair value through profit or loss		1,855,300	4,599,164
Movement in net unrealised (loss)/gain on financial assets and liabilities at fair value through profit or loss		(7,508,985)	3,334,224
Total (loss)/income		(5,020,557)	8,299,410
Expenses			
Investment management fees	2	366,766	351,697
Administration fees	3	52,774	47,282
Depositary fees	4	41,330	31,860
Directors' fees	5	17,589	16,582
Audit fees		10,615	9,807
Professional fees		40,248	51,668
Performance fees	2	–	240,130
Transaction costs		101,456	218,335
Other expenses		20,074	643
Total expenses		650,852	968,004
Net (expense)/income before finance costs		(5,671,409)	7,331,406
Finance costs			
Overdraft interest		(423)	–
Distributions paid		(141,445)	(146,162)
Indian capital gains tax		(15,465)	–
Pakistan capital gain tax		–	(4,662)
Total finance costs		(157,333)	(150,824)
Withholding tax on dividends		(35,330)	(28,110)
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations		(5,864,072)	7,152,472

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

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

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

	Notes	For the period ended 30 June 2018 USD	For the period ended 30 June 2017 USD
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations		(5,864,072)	7,152,472
Capital Share Transactions of Redeemable Participating Shares			
Proceeds from issuance of Redeemable Participating Shares	1	3,340,605	370,123
Payments on redemption of Redeemable Participating Shares	1	(13,350,617)	(1,452,558)
Net (decrease)/increase from Capital Share Transactions of Redeemable Participating Shares		<u>(10,010,012)</u>	<u>(1,082,435)</u>
Change in Net Assets Attributable to Holders of Redeemable Participating Shares		(15,874,084)	6,070,037
Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the period		55,024,050	45,040,984
Net Assets Attributable to Holders of Redeemable Participating Shares at the end of the period		<u>39,149,966</u>	<u>51,111,021</u>

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Act 2014 and the Central Bank (Supervision and Enforcement) Act 2013 (section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (S.I. No. 420 of 2015), (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 (“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 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 and forward foreign currency contracts held by the Company. These instruments are acquired or incurred principally for the purpose of generating a profit from short-term fluctuation in price. All the Company’s assets and liabilities are held for the purpose of being traded or are expected to be realised within one year.

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

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

(ii) Recognition

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(iii) Derecognition

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

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

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company’s continuing involvement in the asset. 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 by the Directors and approved 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 appointed by the Directors and approved for the purpose by the Depositary). Derivative contracts which are not traded on a regulated market including without limitation swap contracts will be valued on the basis of a quotation provided daily by the relevant counterparty and verified or approved at least weekly by a party independent of the counterparty, including the Investment Manager, or another independent party which is approved for such purpose by the Depositary. Apart from forward foreign currency contracts as at 30 June 2018 and 31 December 2017 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 2018 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 and Real Estate Investment Trusts

Units in collective investment schemes shall be valued at the latest available net asset value per unit or bid price as published by the relevant collective investment scheme or, if traded on a Recognised Exchange, in accordance with listed securities above. As at 30 June 2018 and 31 December 2017 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 2018 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 previously had been registered as having distributor status for the year ended 31 December 2009). The Directors, at their discretion, can propose to distribute any of the net investment income of the Class B Dollar Distributing Class, the Class C Sterling Distributing Class, the Class D Singapore Dollar Distributing Class, the Class E Singapore Dollar Distributing Class and the Class U Sterling (Unhedged) Distributing Class of the Company. In the event that a dividend is paid it will be paid out of the net investment income and/or net realised and unrealised capital gains (i.e. realised and unrealised gains net of realised and unrealised losses) of the Company.

It is currently anticipated that, if there is net income to distribute, a dividend will be declared in April of each year, and will be paid within two months of declaration. However, the Directors may at their discretion determine the frequency at which a dividend is paid. Shareholders will be notified of any change in the frequency of the payment of dividends. Distributions to holders of redeemable participating shares are recorded in the Profit and Loss Account as finance costs when paid. Distributions paid or payable during the period ended 30 June 2018 were USD 141,445 (USD 146,162: 30 June 2017).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Distributions Payable to Holders of Redeemable Participating Shares (continued)

The following table summarises the distributions paid by the Company during the period ended 30 June 2018:

Share Class	Ex-Date	Distribution per Share USD
Class B Dollar Distributing Class	2 January 2018	1.1844
Class C Sterling Distributing Class	2 January 2018	0.8119
Class D Singapore Dollar Distributing Class	2 January 2018	1.2157
Class U Sterling (Unhedged) Distributing Class	2 January 2018	1.0730

The following table summarises the distributions paid by the Company during the period ended 30 June 2017:

Share Class	Ex-Date	Distribution per Share USD
Class B Dollar Distributing Class	3 January 2017	1.1762
Class C Sterling Distributing Class	3 January 2017	0.8204
Class D Singapore Dollar Distributing Class	3 January 2017	1.1919
Class U Sterling (Unhedged) Distributing Class	3 January 2017	1.0735

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 period.

Investment Transactions and Investment Income

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

Interest Income and Interest Expenses

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

Dividend Income

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Transaction Costs

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

Expenses

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

NOTES TO THE FINANCIAL STATEMENTS

1. Share Capital

Authorised

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

Non-Participating Shares

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

Redeemable Participating Shares

The net assets attributable to holders of Redeemable Participating Shares are at all times equal to the NAV of the Company. Redeemable Participating Shares are redeemable at the Shareholder’s option and are classified as Financial Liabilities under FRS 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 2018 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	186,848	68,344	43,584
Redeemable Participating Shares issued	17,942	589	268
Redeemable Participating Shares redeemed	(5,565)	(64,925)	(775)
At the end of the period	199,225	4,008	43,077

	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	5,867	14,215	16,760
Redeemable Participating Shares issued	2	–	–
Redeemable Participating Shares redeemed	(410)	–	(9,961)
At the end of the period	5,459	14,215	6,799

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Share Capital (continued)

Redeemable Participating Shares (continued)

The movement in the number of redeemable participating shares for the 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	172,074	68,416	43,001
Redeemable Participating Shares issued	895	499	334
Redeemable Participating Shares redeemed	(4,342)	(801)	(69)
At the end of the period	168,627	68,114	43,266

	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	8,771	14,070	18,591
Redeemable Participating Shares issued	3	–	742
Redeemable Participating Shares redeemed	(2,930)	–	(1,235)
At the end of the period	5,844	14,070	18,098

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

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

2. Investment Management Fees

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

The Investment Manager receives from the Company a fee of 1.5% per annum of the NAV of the Company together with Value Added Tax (“VAT”), if any, on such fee for all share classes, with the exception of the Class E Singapore Dollar Distributing Class which does not charge a management fee. Fees payable to the Investment Manager shall be accrued at each Valuation Point and shall be payable monthly in arrears. The Company shall bear the cost of any VAT applicable to any fees or other amounts payable to or by such nominee in the performance of their respective duties.

The Investment Manager earned a fee of USD 366,766 during the period ended 30 June 2018 (USD 351,697: 30 June 2017), of which USD 47,009 is outstanding at the period end (USD 60,123: 31 December 2017).

Performance fee and equalisation

In relation to Classes A, B, C, D and U the Investment Manager also receives a Performance Fee out of the assets of the Company. The Performance Fee is calculated in respect of each twelve month period ending on 31 December respectively in each year (a “Calculation Period”) for Classes A, B, C, D and quarterly for Class U. For each Calculation Period, the Performance Fee in respect of each Share will be equal to 10% of the appreciation in the Net Asset Value per Share during that Calculation Period above the base Net Asset Value per Share. The base Net Asset Value per Share is the greater of the Net Asset Value per Share at the time of issue of that Share and the highest Net Asset Value per Share achieved as at the end of any previous Calculation Period (if any) during which such Share was in issue.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Investment Management Fees (continued)

Performance fee and equalization (continued)

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

For further details on the Performance Fee calculations and Equalisation Credits please refer to the Prospectus. The Investment Manager may, at its sole discretion, agree with any Shareholder, to rebate, return and or remit any part of the Management and Performance Fee which are paid or payable to the Investment Manager. Details of the Performance fees and Equalisation fees charged to the Company and payable at the end of the year are included in the Profit and Loss Account and Balance Sheet, respectively. The class E Singapore Dollar Distributing Class will not be charged a Performance Fee.

A Performance Fee of USD Nil was earned during the period ended 30 June 2018 (USD 240,130: 30 June 2017), 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 2017). The performance fee outstanding at the period end was USD 2,146 (USD 317,920: 31 December 2017).

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 monthly charge of USD 4,000. 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 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 52,774 during the period ended 30 June 2018 (USD 47,282: 30 June 2017), of which USD 14,978 is outstanding at the period end (USD 14,662: 31 December 2017).

4. Depositary Fees

The Company paid Brown Brothers Harriman Trustee Services (Ireland) Limited (the “Depositary”) 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 41,330 during the period ended 30 June 2018 (USD 31,860: 30 June 2017), of which USD 15,488 is outstanding at the period end (USD 16,826: 31 December 2017).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Directors' Fees

The Directors of the Company are entitled to a fee in remuneration for their services of 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 17,589 during the period ended 30 June 2018 (USD 16,582: 30 June 2017), of which USD 2,637 is outstanding at the period end (USD 6,004: 31 December 2017).

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 2018 and the year ended 31 December 2017.

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 2018:

Related Party	Shares held	Share Class
Heather Manners	5,280	Class E Singapore Dollar Distributing Class
Prusik Investment LLP	229	Class E Singapore Dollar Distributing Class
Thomas Naughton (Partner of the Investment Manager)	2,731	Class E Singapore Dollar Distributing Class
Tony Morris	2,750	Class E Singapore Dollar Distributing Class
Tony Morris (Spouse)	287	Class E Singapore Dollar Distributing Class
Richard Hayes	2,753	Class E Singapore Dollar Distributing Class
Amirah Rani (employee of the Investment Manager)	126	Class E Singapore Dollar Distributing Class

The following Directors and related parties held Shares in the Company as at 31 December 2017:

Related Party	Shares held	Share Class
Heather Manners	5,280	Class E Singapore Dollar Distributing Class
Prusik Investment LLP	229	Class E Singapore Dollar Distributing Class
Thomas Naughton (Partner of the Investment Manager)	2,731	Class E Singapore Dollar Distributing Class
Tony Morris	2,750	Class E Singapore Dollar Distributing Class
Tony Morris (Spouse)	287	Class E Singapore Dollar Distributing Class
Richard Hayes	2,753	Class E Singapore Dollar Distributing Class
Amirah Rani (employee of the Investment Manager)	126	Class E Singapore Dollar Distributing Class

7. Taxation

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Taxation (continued)

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

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

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

8. Soft Commission Agreements

During the period ended 30 June 2018 there were no soft commission arrangements. During the period ended 30 June 2017, 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 maintain and control a research payment account funded by the specific charge to the Company.

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 2018, the Company did not hold any instruments for the purposes of efficient portfolio management (31 December 2017: None).

10. Exchange Rates

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

	30 June 2018	31 December 2017
Australian Dollar	1.3535	1.2790
British Pound Sterling	0.7605	0.7409
Euro	0.8583	0.8346
Hong Kong Dollar	7.8469	7.8168
Indian Rupee	68.4525	63.8275
Indonesia Rupiah	14,330.0000	13,567.5000
Malaysian Ringgit	4.0395	4.0470
Pakistan Rupee	121.4500	110.3500
Philippine Peso	53.3675	49.9200
Singapore Dollar	1.3630	1.3358
South Korean Won	1,114.5000	1,070.5500
Sri Lankan Rupee	158.2500	153.4500
Taiwan Dollar	30.4885	29.7585
Vietnamese Dong	22,957.5000	22,709.0000

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. The Fund has applied these amendments for the current accounting period.

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 judgement or estimation. As observable prices are not available for these securities, the Company would use valuation techniques to derive fair value.

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

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

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

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

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following table provides an analysis within the fair value hierarchy of the Company’s financial assets and liabilities measured at fair value at 30 June 2018 and 31 December 2017:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Financial Risk Management (continued)

Fair Value Estimation (continued)

As at 30 June 2018

Financial Assets at Fair Value Through Profit or Loss	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Common Stock	36,187,272	–	–	36,187,272
Warrants	–	776,202	–	776,202
Forward foreign currency contracts	–	358	–	358
Total Financial Assets at Fair Value Through Profit or Loss	36,187,272	776,560	–	36,963,832

Financial Liabilities at Fair Value Through Profit or Loss

Forward foreign currency contracts	–	(18,470)	–	(18,470)
Total Financial Liabilities at Fair Value Through Profit or Loss	–	(18,470)	–	(18,470)

As at 31 December 2017

Financial Assets at Fair Value Through Profit or Loss	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Common Stock	50,580,936	–	–	50,580,936
Warrants	–	1,829,100	–	1,829,100
Forward Foreign Currency Contracts	–	63,589	–	63,589
Total Financial Assets at Fair Value Through Profit or Loss	50,580,936	1,892,689	–	52,473,625

Financial Liabilities at Fair Value Through Profit or Loss

Forward Foreign Currency Contracts	–	(101)	–	(101)
Total Financial Liabilities at Fair Value Through Profit or Loss	–	(101)	–	(101)

12. Portfolio Analysis

As at 30 June 2018

	Market Value USD	% of Total Assets
Transferable securities admitted to an official exchange listing	36,187,272	92.02
Other securities	776,202	1.97
Financial derivative instruments (Forward Foreign Currency Contracts)	(18,112)	(0.05)
Net financial assets at fair value through profit or loss	36,945,362	93.94

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Portfolio Analysis (continued)

As at 31 December 2017	Market Value USD	% of Total Assets
Transferable securities admitted to an official exchange listing	50,580,936	90.44
Other securities	1,829,100	3.27
Financial derivative instruments (Forward Foreign Currency Contracts)	63,488	0.11
Net financial assets at fair value through profit or loss	52,473,524	93.82

13. Comparatives

The comparative figures are for the period ended 30 June 2017 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 2017 for the Balance Sheet.

14. Significant Events during the Period

There were no 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.

16. Approval of Financial Statements

The unaudited financial statements were approved by the Directors on 23 August 2018.

STATEMENT OF SIGNIFICANT CHANGES IN THE COMPOSITION OF THE 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.

Total Purchases for the period ended 30 June 2018

Security Description	Acquisitions Nominal	Cost USD
Muhibbah Engineering M Bhd	1,800,000	1,468,186
John Keells Holdings PLC	1,380,000	1,466,286
MakeMyTrip Ltd.	38,000	1,378,860
Taseco Air Services JSC	475,840	1,358,458
IRB InvIT Fund	850,000	1,195,358
Bloomberry Resorts Corp.	4,000,000	1,125,671
Ace Hardware Indonesia Tbk PT	9,000,000	800,993
Pakistan Stock Exchange Ltd.	2,900,000	673,086
Sai Gon Cargo Service Corp.	77,700	553,815
Vincom Retail JSC	220,000	382,691
Habib Bank Ltd.	180,000	300,972
Edelweiss Financial Services Ltd.	62,000	284,927
Repc Home Finance Ltd.	25,000	284,350
Aditya Birla Fashion & Retail Ltd.	100,000	283,009
NagaCorp Ltd.	340,000	282,291
Indus Motor Co. Ltd.	16,000	250,473
Pak Elektron Ltd.	540,000	243,172

Major Sales for the period ended 30 June 2018

Security Description	Disposals Nominal	Proceeds USD
NagaCorp Ltd.	2,440,000	2,274,277
Ho Chi Minh City Securities Corp.	535,000	1,982,797
Bajaj Electricals Ltd.	215,000	1,558,560
FPT Corp.	504,000	1,478,809
Coteccons Construction JSC	176,213	1,292,467
Habib Bank Ltd.	730,000	1,069,295
CCL Products India Ltd.	240,000	1,061,897
Ultrajaya Milk Industry & Trading Co. Tbk PT	10,756,800	1,058,847
LIC Housing Finance Ltd.	130,000	1,025,798
Finolex Industries Ltd.	85,000	861,858
PVR Ltd.	39,000	857,683
Hoa Sen Group	770,000	801,147
Vincom Retail JSC	320,000	800,192
Phoenix Mills Ltd.	86,000	789,051
Power Construction JSC No.1	577,520	759,032
Repc Home Finance Ltd.	77,000	693,404
Shankara Building Products Ltd.	28,000	667,731
Hemas Holdings PLC	680,000	545,834
Aditya Birla Fashion & Retail Ltd.	223,000	501,270
Sheela Foam Ltd.	18,000	437,286
Melstacorp PLC	1,207,060.00	412,513
IRB Infrastructure Developers Ltd.	67,000	281,485

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

COMPANY NAME AND REGISTERED OFFICE

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AND DISTRIBUTOR**

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