PRUSIK UMBRELLA UCITS FUND PLC

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

Prusik Asian Equity Income Fund

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

Registered Number: 491099

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GENERAL INFORMATION

Prusik Umbrella UCITS Fund plc (the "Company") is an open-ended umbrella investment company with variable capital and segregated liability between sub-funds, incorporated on 5 November 2010 in Ireland pursuant to Part 24 of the Companies Act 2014 and authorized by the Central Bank of Ireland (the "Central Bank") under the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (S.I. No. 420 of 2015), as amended (the "Central Bank UCITS Regulations").

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

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

There is one sub-fund in existence as at 30 June 2018, the Prusik Asian Equity Income Fund (the "Fund") which was launched on 22 December 2010.

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

- Class 2 X US Dollar Distributing Class (first issued on 30 March 2012)
- Class 2 Y Sterling Distributing Class (first issued on 30 March 2012)
- Class 2 Z Singapore Dollar Distributing Class (first issued on 30 March 2012)
- Class A US Dollar Non-Distributing Class (first issued on 25 March 2012)
- Class B US Dollar Distributing Class (first issued on 31 December 2010)
- Class C Sterling Distributing Class (first issued on 21 January 2011)
- Class D Singapore Dollar Distributing Class (first issued on 31 December 2010)
- Class E Singapore Dollar Distributing Class (first issued on 23 September 2011)
- Class U Sterling (Unhedged) Distributing Class (first issued on 1 July 2013)

Brown Brothers Harriman Fund Administration Services (Ireland) Limited (the "Administrator") determines the Net Asset Value ("NAV") per Share of each Class of the Company 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 Fund is to generate a combination of income and capital growth primarily by investing in equities and other securities of companies operating in, and governmental issuers located in the Asian region and elsewhere.

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

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

The Fund may invest in American depositary receipts and global depositary receipts and other equity related securities and instruments, which may be over-the-counter ("OTC") or listed (subject to a maximum of 10% of the NAV in unlisted securities), including convertible bonds, depositary receipts and warrants as well as other securities such as bonds and preference shares issued by corporate and governmental issuers (and which may be fixed or floating, and of both investment grade (BB- or higher) or non-investment grade).

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

GENERAL INFORMATION (CONTINUED)

Investment Objective (continued)

The Fund may also invest in certain securities or markets, using forms of indirect investment including, participation notes on the underlying securities and Real Estate Investment Trusts (“REITS”), where such investment represents a more practical, efficient or less costly way of gaining exposure to the relevant security or market.

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

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

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

Prusik Asia Equity Income Fund Half Year Report June 2018

The fund returned -7.1% for the first half of 2018 underperforming the market which fell by -4.1%. The biggest contributors to returns were **HKBN Ltd, Gree Electric Appliances** and **Macquarie Korea Infrastructure Fund** and the biggest detractors were **CK Hutchison, Zhejiang Expressway** and **Beijing Capital Airport**.

Beijing Capital Airport

At the end of June, **Beijing Capital Airport** disclosed that it had been informed by the Ministry of Finance that it would no longer be entitled to receive their share of the Airport Construction Fee[1]. This was always a slightly unusual arrangement whereby the company not only collected this tax on behalf of the government but also could record a 50% share of it as revenue. Although the Ministry had only recently announced this arrangement would continue until 2020, they have apparently changed their mind and decided that will be discontinued in November this year. Because the margins on this were effectively 100% it has a significant impact on profits, reducing 2019 cash flow by around 20% and our valuation by approximately 15%. **Given the 30% fall in the share price following the announcement we believe this new information is more than discounted and have therefore not sold our position.** Trading at 6.5x EV/EBITDA compared to regional airports on 15-20x we believe the upside potential is significant as the airport develops its non-aeronautical business and can switch more capacity away from domestic flights and towards international flights after the new airport opens in late 2019. As only 25% of their flights are international as compared to 50% for Shanghai (and 95% for Heathrow), we believe the upside potential is substantial.

Performance Attribution

When considering the performance of the fund, it is worth reflecting on how we construct the portfolio and think about risk and returns. The primary objective of the fund is to avoid permanent loss of capital. Of course, there is no way of guaranteeing this and we will own stocks that do lose us money, but it merely means our first thought when we look at a stock is "How much will we lose if we're wrong?". We try and limit potential losses by selecting stocks that have non-cyclical earnings streams, strong balance sheets and trading at valuation levels which mean the downside risk is low relative to the upside return potential. The second focus is to generate attractive total returns. In general, we try and buy stocks where we think we can generate annualised returns of 15%+. Even though we have no way of knowing what the futures returns will be, we do think we can check that our investments are at least consistent with that objective. In other words, a stock with a dividend yield of 5%, growing at 3% and trading at or above our estimate of fair value is unlikely to pass that test whereas a stock with a dividend yield of 4%, growing at 10% and trading at 25% discount to our assessment of fair value may well be able to generate returns above our hurdle. These two factors account for 100% of our investment process. We do not consider our risk "relative to the market" and generally do not think about our relative weightings. This is evidenced by the fact that our "active share" is generally in the low 90s[2] and half of our portfolio is not part of the index at all. However, because we are generally fully invested in Asian equities, a portion of our returns will be due to the market movement especially over the short term. Our beta is 0.78 so if the market moves up 10% in a month then our portfolio would generally be expected to move up 7.8% regardless of our stock picking skill. **Our belief is that we have a portfolio which is consistent with generating 5-10% outperformance of the market over the long-term.** We expect to generate that performance due to a combination of higher dividend yield, higher (and less volatile) dividend growth and good stock picking ability (buying stocks that are undervalued relative to the market). We know that some investors will focus more on our absolute performance and some on our relative performance. Both approaches make sense and so we try to explain our performance from both these perspectives.

[1] Essentially, an airport tax paid for by passengers.
[2] Unless we run a small cap only fund it cannot mathematically be much higher than this as if we own ANY index stocks then we must be below 100% and even owning 3-4 large index stocks will reduce the active share to the low 90s

Prusik Asia Equity Income Fund Half Year Report June 2018 (continued)

Over the last 12 months we have not produced absolute returns and have underperformed the market therefore missing both of our targets. Why is this? **In *relative* terms it is because we have not had enough exposure to cyclical sectors and have had too much exposure to defensive sectors.** In the last 12 months, economic momentum has improved, oil prices have rallied, and interest rate expectations have increased. Because we deliberately seek out stocks that are not affected by these factors, we did not benefit from this. In addition, we have some stocks that are negatively affected (to a limited extent) by these factors. Our "bond proxy" stocks are affected by higher real interest rates and some of our larger exposures (e.g. airports and toll roads) suffer from higher energy prices because their customers are large consumers of oil.

Relative Performance Analysis

With regards to relative performance, one way of viewing this is to consider our exposure to "defensive" vs "cyclical" sectors[3]. What can be seen from the table below is that **around 67% of our portfolio is in defensive sectors compared to just 13% for the market. On the other hand, we have just 18% of our portfolio in cyclical stocks whereas they account for almost 64% of the market.** Finally, we had no exposure to two of the best performing sectors – Energy and Materials. Given our allocation, it is easy to see why we struggled to perform.

June 2017 to June 2018	Average weighting PAEIF	Average weighting MXAPJ		Index Performance
Industrials	30.2%	6.3%		-5.3%
Telecoms	14.3%	3.7%		-10.8%
Utilities	12.2%	2.9%		+5.9%
Cash	10.5%	0.0%		+1.7%
Total Defensives	**67.2%**	**12.9%**		**-4.4%**
Financials	11.3%	26.4%		+6.7%
Technology	6.5%	26.3%		+15.7%
Materials	0.0%	6.9%		+17.1%
Energy	0.0%	4.4%		+28.1%
Total Cyclicals	**17.8%**	**64.0%**		**+13.0%**
MXAPJ				+10.1%
PAEIF				+0.1%

Source: Prusik/Bloomberg

[3] We have just equally weighted the sectors for the purposes of this exercise

Prusik Asia Equity Income Fund Half Year Report June 2018 (continued)

The chart below shows however that, even given our defensive positioning, our performance was well below par over the past 12 months and in the first half of this year in particular. The table below shows how our portfolio performed both relative to the index and to the average defensive sector[4]. Readers will note that in 2016 and 2017 our performance relative to the defensive sectors was quite strong even though our performance relative to the market was close to zero over those two years. However, in 2018 our performance relative to both the market AND defensives has been poor reflecting a lack of alpha that cannot be explained by our defensive positioning.

	PAEIF	MXAPJ	MXAPJ "Defensives"	MXAPJ "Cyclicals"	PAEIF vs Index	PAEIF vs MXAPJ "Defensives"
2011	-4.0%	-15.0%	-6.6%	-18.3%	11.0%	2.6%
2012	45.9%	23.2%	20.7%	20.5%	22.8%	25.2%
2013	13.4%	4.1%	3.1%	0.6%	9.3%	10.3%
2014	16.8%	3.5%	7.6%	-1.9%	13.3%	9.2%
2015	3.2%	-8.8%	-6.7%	-13.7%	11.9%	9.9%
2016	10.4%	7.4%	-1.4%	18.8%	3.0%	11.8%
2017	32.8%	37.8%	17.7%	40.1%	-5.0%	15.0%
2018 YTD	-7.1%	-4.0%	-7.0%	-2.0%	-3.1%	-0.1%

Source: Prusik/Bloomberg

Absolute Performance Analysis

In absolute terms, our poor performance is due to the fact that our stocks have generally been de-rated over the past 12 months. **Our portfolio has de-rated by 13% over the last 12 months which has wiped out the gains generated by earnings growth and dividend yield.** Whether this de-rating is justified or not remains to be seen. It is possible that our stocks are correctly priced and what we consider a de-rating is the market accurately reflecting lower earnings power. Or perhaps it is temporary, and stocks will recover these losses as valuations converge with our own valuations. To give some insight as to the de-rating that we have experienced, in the table below we list all of our current holdings that have de-rated by more than 20% over the last 12 months[5]. For reference, the MSCI Asia Pacific ex-Japan Index has de-rated by 7% over this period and PAEIF has de-rated by 13%.

	P/E June 2017	P/E June 2018	Forward EPS change	P/E change
Beijing Capital Airport	15.8x	10.3x	+12%	-35%
Zhejiang Expressway	11.6x	7.6x	+2%	-35%
Metro Pacific	14.7x	9.7x	+9%	-34%
Link Net	15.4x	10.5x	+25%	-32%
Shenzhen Airport	25.2x	18.4x	+12%	-27%
CKH Holdings	10.1x	7.9x	+8%	-22%
CKI Holdings	15.8x	12.6x	+12%	-21%
Average	**15.5x**	**11.0x**	**+11%**	**-29%**

Source: Prusik/Bloomberg

[4] We have just equally weighted the sectors for the purposes of this exercise
[5] Note that Link Net and Metro Pacific were not owned for the entire period

Prusik Asia Equity Income Fund Half Year Report June 2018 (continued)

As can be seen**, on average these stocks are expected to earn 11% *more* than they were 12 months ago but the P/E ratings have *fallen* 29% over this period.** In some cases, it may be justified (e.g. Beijing Capital Airport) but in most of these, it is simply the case that the market just accords them lower ratings than 12 months ago. In total these positions account for 25% of our current portfolio and accounted for approximately 500bps of losses over the past year. All of these factors led to a very disappointing last 12 months. **Since the inception of the fund, the P/E of the portfolio has tended to be in line with the market but the current discount of 12% is the highest that it is ever been, reflecting the de-rating the portfolio has undergone.**

Whenever one suffers a period of poor performance, it is worth thinking about what caused the problems and whether it is an issue of strategy (we are pursuing a strategy that no matter how well executed will lead to underperformance) or execution (our strategy makes sense, but we are implanting it poorly. The last 12 months were a mixture of both. Our strategy of ignoring macro factors and avoiding stocks with cyclicality proved to be one that no matter how well executed was very likely to underperform given the sector performance. We added to this by executing poorly - we made too many mistakes. In terms of accounting for our underperformance, we would say that approximately half of the reason is due to stocks being de-rated (i.e. the share price performed poorly but the underlying valuation didn't change) and half was due to a permanent diminution in value (in other words, the underlying valuation fell during the period).

Mistakes

Below, we list companies that account for approximately 50% of our losses where we believe we made mistakes in our analysis and the valuation today is lower than it was 12 months ago. Of the losses, we believe approximately half are "permanent" and half are due to a de-rating which may prove temporary. There were other mistakes but their impact on the fund was much lower.

- **Beijing Capital Airport** (discussed above). We still would have owned the stock but we were too complacent about the risk of this revenue stream disappearing
- **Kangwon Land.** We were too complacent about the risk of tougher government regulation
- **Fonterra**. We placed too much trust in management's ability to improve returns
- **Sarana Menara Nusantara**. We overestimated the bargaining power of the company when it came to renegotiating rental rates with one of their key customers.

One of the potential reasons that we may have had more mistakes in the past year is due to the persistently high cash position during the second half of 2017. As cash was close to our maximum level of 15%, it meant we were unable to sell stocks to avoid going over that level and also, in retrospect, we may have been too keen to put new stocks in the portfolio that ordinarily may not have justified inclusion. We hope that this will be less of an issue in 2018 due to the lower cash levels.

Strategy

Going forward, we believe our strategy of selecting stocks with high dividend yields, strong earnings ability and excellent risk/return potential will outperform the market and produce strong absolute returns. We do not think that we need to change our focus but do need to ensure that we reduce the number of errors we make.

Prusik Asia Equity Income Fund Half Year Report June 2018 (continued)

Traffic Light System

We have updated our "traffic light system" which we use to determine whether we can reopen the fund. With regards to the fund size, for the first time since 2012 we don't consider the fund size to be too big. Partly, this is because the markets are substantially larger than they were when we "soft closed" [6] the Class 2 shares in November 2012. Since then, **both the market cap and total number of stocks in our universe[7] has increased by more than 50% (from US$5.3trillion to US$8.1trn and from 561 stocks to 877) even though our fund size is the same now as it was when we closed it.** We therefore have increased the fund size levels to reflect the fact that we are comfortable running US$1bn in the current strategy. The other major change is to remove the relative performance target as we felt it was no longer appropriate. We had originally included a "minimum alpha" target because we didn't want to increase the size of the fund if we weren't generating good returns. However, in the current environment where our portfolio is being de-rated and we see significant value, we don't want to be constrained in opening up the fund because of short-term performance. The final major change is to adjust the valuation criteria so that they focus more on our portfolio valuations rather than the valuations for the market as a whole.

	Green	Amber	Red
Fund size	<US$1bn	$1-1.25bn	>$1.25bn
Net redemptions as % of AUM	>10% annualised	0-10% annualised	>0% a month (i.e. net inflows)
Number of days to liquidate 80% of fund	<10 days	10-20 days	>20 days
Cash level	<5%	5-10%	>10%
Bench of new ideas	>10	5-10	<5
Valuation **No fixed metric but typically**	Cheap MXAPJ PB<1.5x PAEIF P/E <11 x PAEIF yield > 5.5%	Fair MXAPJ PB 1.5x-2x PAEIF P/E 11-16x PAEIF yield 4-5.5%	Expensive MXAPJ PB >2x PAEIF P/E >16x PAEIF yield < 4%

Source: Prusik/Bloomberg

We currently therefore have 4 green lights and 2 amber lights meaning we are closer to reopening than we have been for some time. Whilst we have no immediate plans to reopen, if redemptions did increase OR valuations improved by 5-10% from this level, so that the P/E of the fund fell below 10x then we would certainly consider it.

If this happens, we will be in touch to discuss how we propose to do this as our first priority, as ever, is to protect the interests of existing investors. Note that of course we would only allow existing investors to increase their holdings and have no plans to open the fund to new investors.

[6] We consider imposing a 3% charge as "soft closing" the fund as it reduces inflows to almost (but not quite) zero

[7] Stocks in Asia ex-Japan with market capitalisation > US$1bn with a dividend yield of >3%

Prusik Asia Equity Income Fund Half Year Report June 2018 (continued)

New Positions

IRB Invit Fund

This is a trust of Indian toll roads that was listed by the sponsor, IRB Infrastructure, last year. We declined to participate at the time of the IPO as the equity IRR offered was not attractive enough and our experience is that these infrastructure trusts often perform poorly at IPO, as they are often poorly understood by the market in the early days because they are more similar to bonds than they are to equities. In brief, the sponsor sells cash-flow producing infrastructure assets (in this case toll roads) into a trust which then pays out those cash-flows (it is required by law to pay out a minimum of 90% of the cash-flows as dividends) to investors. Because the assets are generally very predictable, they are more similar to structured credits rather than equities and so the equity market is often ill equipped to analyse them as they have finite lives, (the length of the concession period), and so need to be valued on a discounted cash-flow basis.

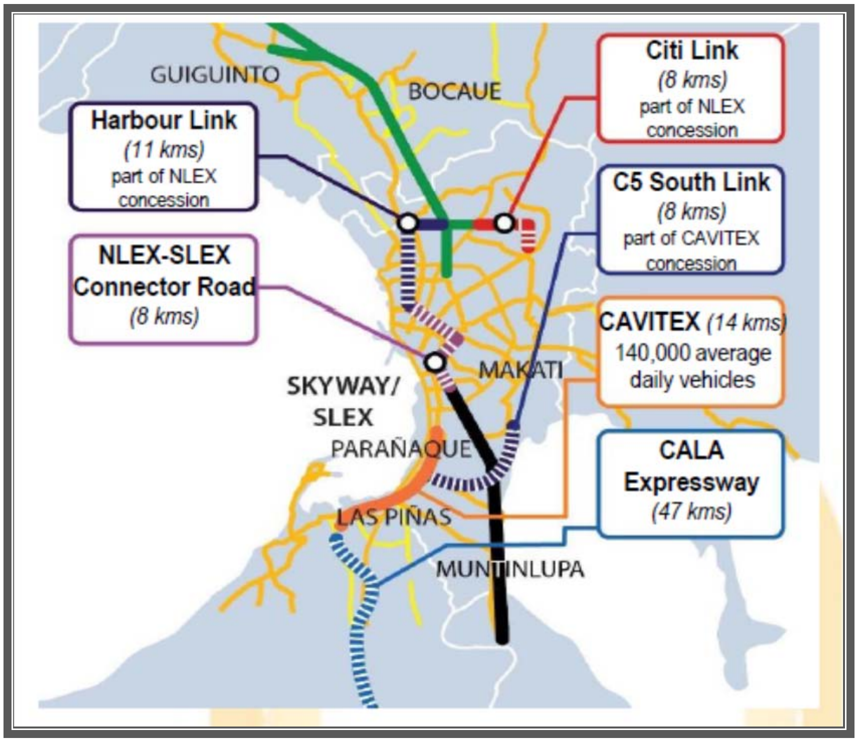
Following the IPO the stock did perform poorly, partly because a stable, high yield company is not attractive to retail and institutional investors during an equity bull market and partly because the high minimum lot size (US$7,000) means that it is off limits to many Indian retail investors. In addition, there is very little sell side coverage of the stock which has a market capitalisation of just US$750m.

The investment case is relatively simple: The trust owns seven toll road projects with an average residual concession period of 17 years. The traffic growth on average is expected to be 5-6% a year and the company has a (partially) inflation protected toll rate agreement which allows tariffs to be increased by "3% + 40% of WPI" per year. In other words, if WPI (wholesale price inflation) is 6% then the company can increase tolls by 5.4% (3% + 40% of 6% = 5.4%). The cash flows are then forecast over the remaining concession period and an equity IRR is calculated. At the time of writing, we calculate that IRR to be approximately 15%. **The company pays a dividend of INR3/quarter which translates into a dividend yield of 14%.** Finally, because of the introduction of capital gains tax in India, it is worth noting that the tax treatment of our (potential) return from this investment is now more attractive as the withholding tax on our returns is likely to be around 2% (depending on the structuring of the returns to investors between capital, interest and dividends), as opposed to 10% capital gains tax.

Metro Pacific Investments

Metro Pacific (MPI) is a Philippine Infrastructure Operator with exposure to the power, toll road and water sector in the Philippines. The company owns a number of key assets including Meralco (the largest electricity distributor in the Philippines), Maynilad Water Services (the second largest water company in the Philippines) and Metro Pacific Tollways (the largest toll road operator in the Philippines). Metro Pacific Tollways Corp owns a number of toll roads in Metro Manila and nearby provinces.

Prusik Asia Equity Income Fund Half Year Report June 2018 (continued)



Source: Company presentation

Why has the stock been weak?

The company has been in arbitration with the government over a dispute over tariffs for the Maynilad water business since 2013. In July 2017, an Arbitration tribunal in Singapore ordered the Government to reimburse Maynilad PHP3.4bn for losses from March 2015 to August 2016. In February 2018, the Government filed an application with the High Court of Singapore to set aside the arbitration ruling. Maynilad is set to challenge this application. Even though the dispute is only a "low single-digit" % of NAV, the stock fell 10% on the news. This is because the government is also in dispute with the company over their toll road hikes and the concern is that the company will not be allowed to increase tariffs across its entire business in line with the concession agreement.

With regards to the toll roads, the company wants to increase tolls by 12-14% per year from 2018-2022 to recover lost revenues. However, the Department of Transport wants this recovery to take place over the life of the concession. **We believe the company is willing to negotiate with the government with regards to any settlement and, given that, the market is so negative on any chance of recovering these losses, we believe the market will take any settlement very positively.** There is no doubt that the optimism generated by the government from its desire to improve and roll out infrastructure has almost completely vanished. However, the need for that infrastructure has not gone away and we believe **Metro Pacific** is in an excellent position to benefit from the long-term potential that is undoubtedly there.

Valuation

The NAV for the stock is approximately PHP10/share and so the stock at PHP 5.5, is currently trading at a 45% discount to that level. We believe that the stock should trade at closer to a 20% discount to NAV (approx. PHP8/share), although it could be argued that the discount should be even narrower given the growth potential and optionality in the company. Even if we assume the toll road and Water businesses are worthless, the NAV is still PHP5/share. If we assume that they can get no tariff increases, the NAV is approximately PHP7.00/share. The company should be able to grow the NAV by 5% a year by adding new projects (in addition to the growth of NAV due to the discount rate). The dividend yield of the company is not particularly high, (1.9%), as the company is reinvesting cash-flow back into the business (which to me is a better use of cash than paying it back to shareholders). The P/E of the stock, at 12.6x, is low both relative to other stocks in Asia and also its own history.

Prusik Asia Equity Income Fund Half Year Report June 2018 (continued)

Singapore Exchange

Singapore Stock Exchange (SGX) is a monopoly which operates both the equity and derivatives market (SIMEX) in Singapore. Growth is improving after 5 years due to both a recovery in the domestic stock market combined with continued strong growth in the derivates market.
The business is very attractive due to:

- **Monopoly status** = high margins (40% net margins and 30% ROIC).
- **High Barriers to entry** due to the network effect of exchanges (and a regulatory regime which no longer wants to see multiple exchanges).
- Revenue should grow faster than nominal GDP due to increased listings over time and the largely fixed nature of its costs.
- Upside optionality from new derivatives products (e.g. Indian Single Stock Futures could add 5-7% to earnings if introduced as expected).
- Limited capital requirements mean that it can grow at 10-15% whilst paying out 90% of its earnings as dividends
- Net cash balance sheet.

Swire Pacific

Swire Pacific is a conservatively managed portfolio of assets that includes some very high-quality businesses (Swire Properties), some high growth businesses (e.g. Swire Beverages) and some low quality cyclical businesses (Marine Services, Aviation**). The investment thesis is that the market is overly focused on the low quality cyclical businesses (which are a small part of the overall valuation but a large part of the current profit downturn) and ignores the strength of the larger businesses which are performing strongly and are of very high quality**. Even if these cyclical businesses do not recover, we believe that stock is very undervalued given the strong growth from the real estate and beverage business.

The Price to book ratio is at an all-time low – only seen during the Asia crisis in 1997 and the GFC in 2008. The stock is trading at just 50% of the book value of the assets, which we believe understates the true valuation of the business. Very few sell side firms research the stock anymore as it is possibly the least fashionable stock in Hong Kong, those that do are negative on it having been battered and bruised by 2 years of constant downgrades and a cut in the dividend. We believe there is 50% upside in the stock to fair value and minimal downside even if we are wrong (as discount already implying a significant deterioration in business).

Investment Case

Swire Pacific is one of Asia's oldest companies and has been operating in China since 1861. Today, the company is involved in a large number of industries including real estate, aviation and shipping. Their main asset is an 82% stake in Swire Properties which owns many key office and retail assets in Hong Kong, including Pacific Place and 1 Taikoo Place. Pacific Place shopping mall is a tier 1 asset with a long waiting list of tenants. The office block is also well located and benefiting from a tight supply/demand situation in Central, driven by demand for space by Chinese corporates. Island East, where 1 Taikoo Place is located, has the potential to take tenants from Central as rents are 1/3 of the level and improving infrastructure, (including a bypass which will commence in late 2018), will reduce the rush hour commute from 22 minutes to 10 minutes.

Prusik Asia Equity Income Fund Half Year Report June 2018 (continued)

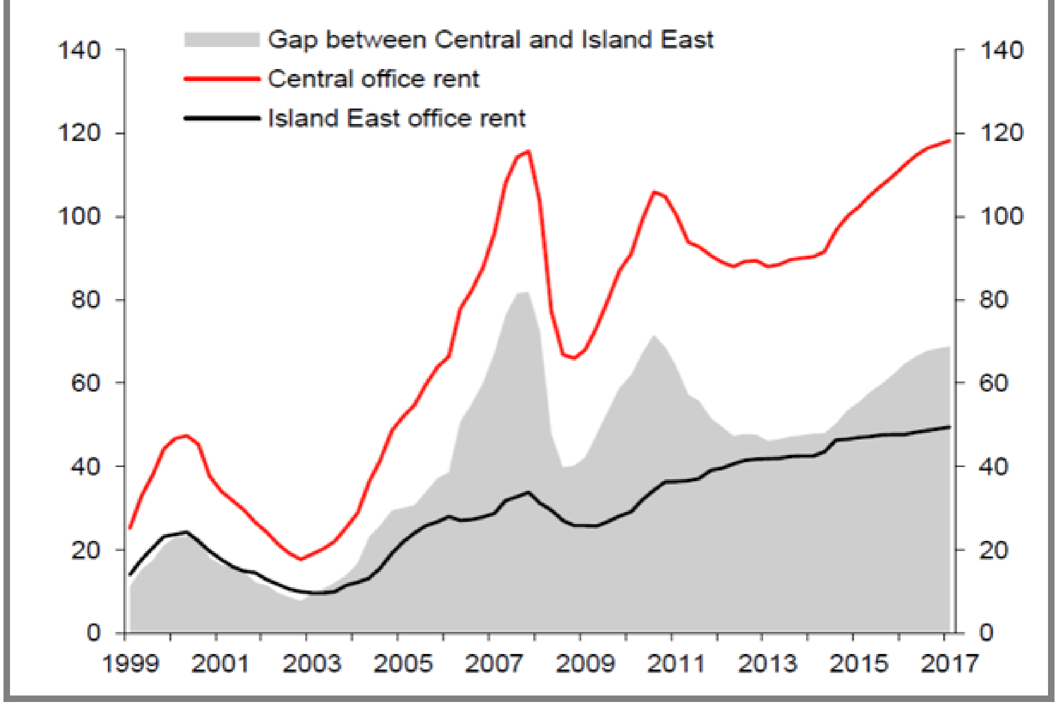


Fig 2 Office rent gap between Central and Island East

Source: Macquarie Securities

Swire Pacific are seeing tenants that normally would only consider Central moving into their property (e.g. Baker and McKenzie, Facebook, BNP, WeWork). The opening of Shanghai HKRI Taikoo Hui will further boost profits this year as the property ramps up. They also own a 45% stake in Cathay Pacific which has been negatively affected by structural and cyclical factors but it has now managed to cut costs and remains a premium airline brand.

The only other business of any significance is Swire Beverages which manufactures and distributes Coca Cola in Hong Kong, China and the USA. This business has an ROE in the mid-teens and the potential to grow in the high single-digit rate for many years to come. It also has the potential to become a bigger part of the NAV than Beverages given the franchise population size is 660m people (mainly China).

Analysts spend a lot of time on Haeco (aircraft maintenance) and Marine services (providing support vessels to the energy industry for offshore production) as they have been going through tough times but they are just simply irrelevant with regards to the overall profits for the company. However, to the extent that expectations are extremely low, there is the potential for upside if either recover - (can be thought of as free call options).

Valuation

- P/B at all-time lows (only seen during Asia Crisis and 2008).
- After cutting the dividend from HK$4/share to HK$2.20/share in 2017, we expect the dividend to be HK$2.50/share in 2018 and HK$3.25/share in 2019, **placing the B-shares on a 5%+ yield in 2019 with upside potential should there be a recovery in the aviation or marine sector.**
- The table below gives the valuation breakdown.

INVESTMENT MANAGER'S REPORT (CONTINUED)

Prusik Asia Equity Income Fund Half Year Report June 2018 (continued)

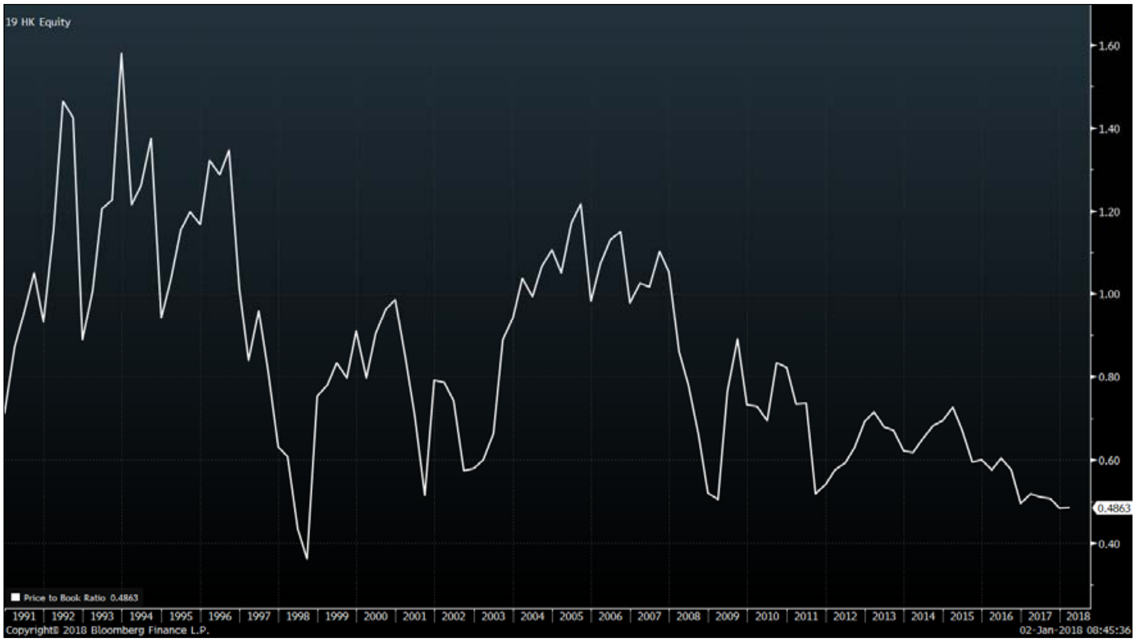
	Stake	Valuation	% of total
Swire Properties	82%	191,880	8S%
Cathay Pacific	45%	24,783	11%
Haeco	75%	6,237	3%
Beverages		20,000	9%
Marine Services		5,000	2%
Trading & Industrial		2,000	1%
Net Debt		18,160	
Total		225,503	
Number of shares		1,505	
NAV/Share		150	
Discount to NAV		-51%	
Target discount		-30%	
Implied Price		105	
Upside		**44%**	

Source: Bloomberg

- **We believe that the current discount to NAV is excessive** (especially considering that the NAV for Swire Properties is 25% higher than the book value (which we used in calculation above).
- **The current valuation implies financial distress which appears unlikely given the low level of debt and conservative nature of the group.**
- The company is currently buying back shares which is very accretive to valuation given the discount.

Prusik Asia Equity Income Fund Half Year Report June 2018 (continued)

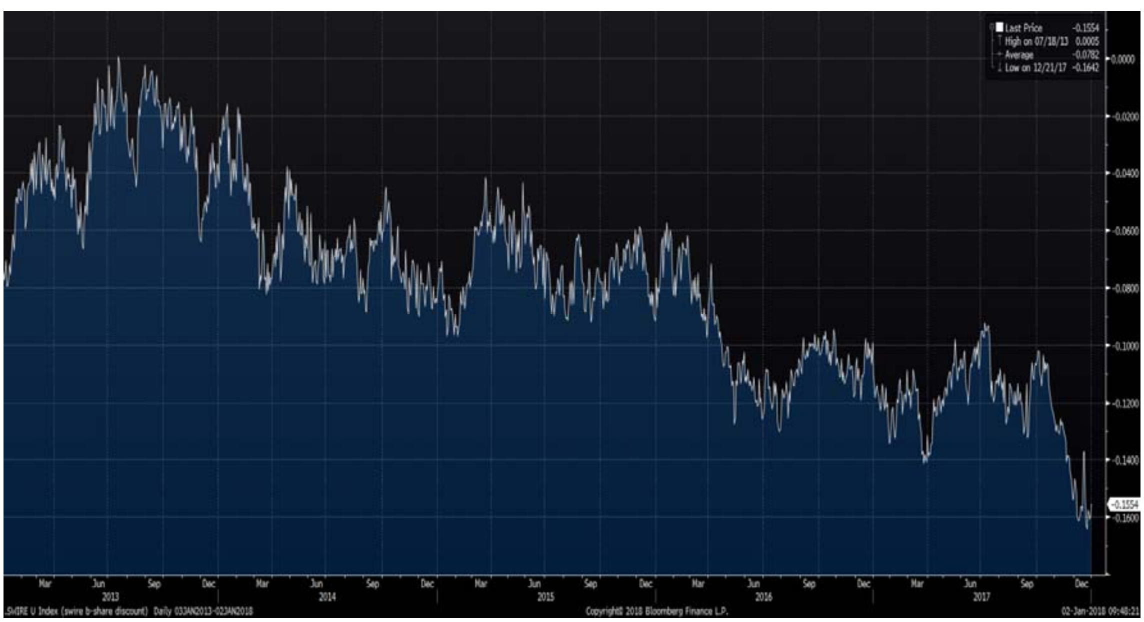
Price to Book Chart



Source- Bloomberg

B-share Discount

- Swire Pacific B-share discount has widened out to near 16% (see chart below).
- B-shares have the same economic rights as the common shares but 5x the voting rights and we believe are the shares to focus on.
- We believe the B-shares are more attractive given the voting rights and discount.



Source-Bloomberg

Prusik Asia Equity Income Fund Half Year Report June 2018 (continued)

Brambles

Brambles is a global logistics company whose main asset is CHEP, the world's largest pallet pool operator. CHEP operates globally with revenues split 40/40 between US and Europe with 20% accounted for by Asia and Latin America.

Rather than manufacturers having to buy and dispose of "white" pallets (which are used only once) they rent pallets from CHEP (blue pallets) and pay on a "per day" or "per trip" basis. CHEP's customers are the manufacturers. They are the ones that rent the pallets. However, CHEP has relationships with the customers (mainly supermarkets) and arranges to collect pallets from them. Because they have huge scale, they are able to save on trips from taking pallets directly from supermarkets and taking them to suppliers nearby. And as CHEP has a large market share and is connected to the suppliers and customers, they can operate this pool at a much cheaper rate and pass on that value to customers. **The company generates an ROE of 20% and should be able to grow profits at a high single- digit to low double-digit rate** going forward driven by mid to high single digit revenue growth + improving margins.

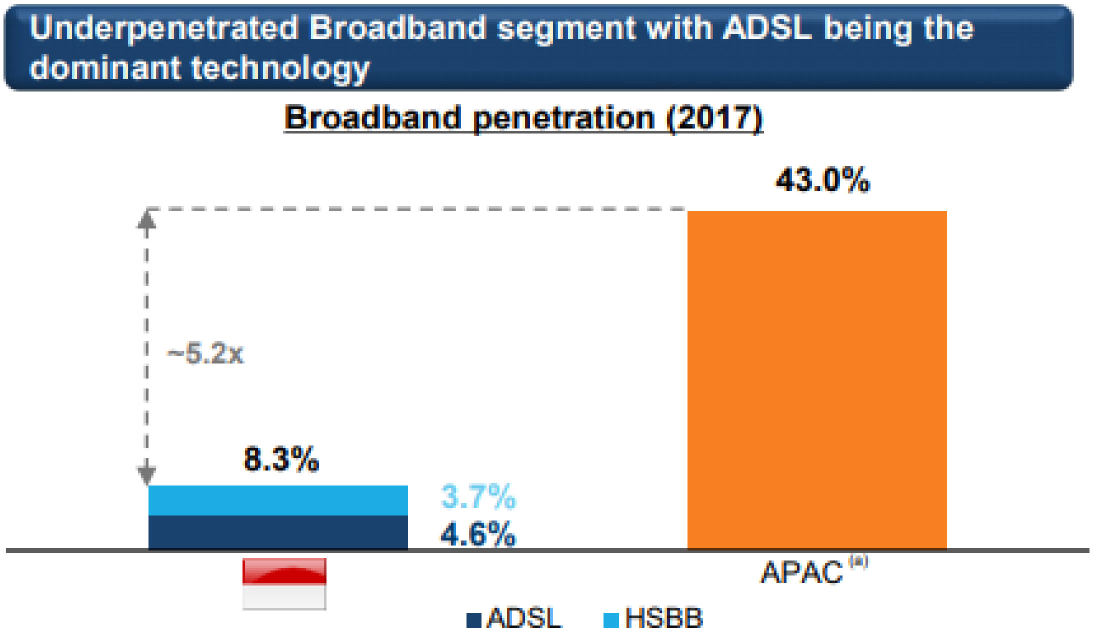
The stock has been weak due to a) concerns about higher costs (labour + lumber) and b) low customer growth rate in the US. We believe the first issue is temporary and the second issue is overstated. The stock trades on a P/E of 16x with a 3.5% dividend yield. We believe that it should trade at closer to 20x reflecting the highly recurrent nature of the earnings together with the high ROIC. Upside comes from improving margins (partly through automation – also through technology/deep learning), winning new customers and developing new markets (e.g. China, Russia). Risks are from competitors + pricing pressures. Although people are concerned about Amazon this is a) unlikely to have a big impact on the high volume/low price products that CHEP deals with and b) they will still use CHEP pallets.

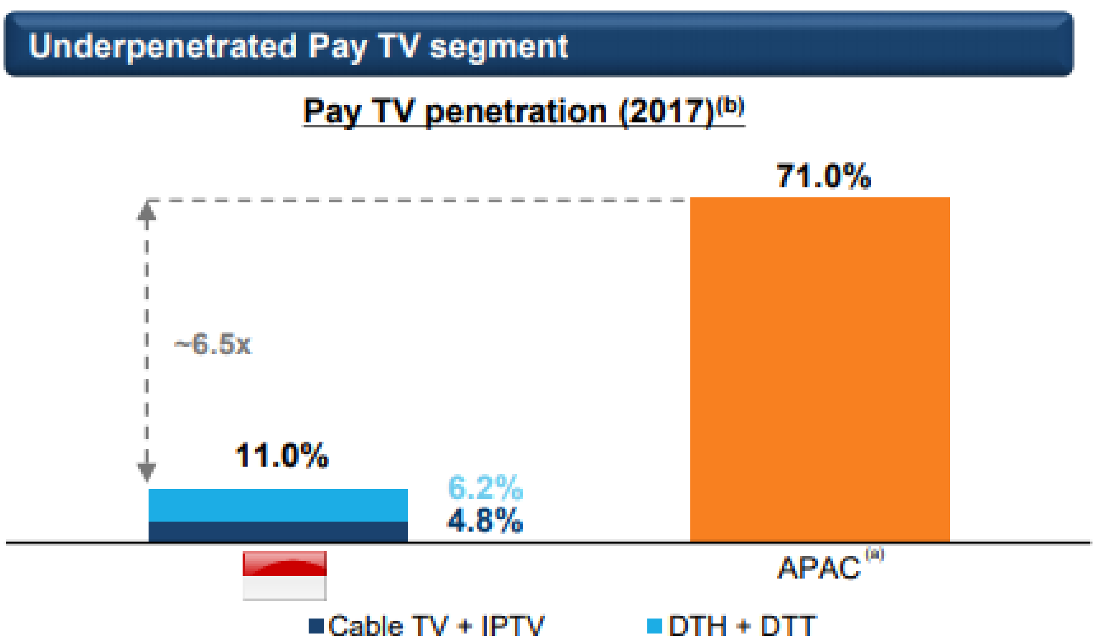
Link Net

Link Net is an Indonesian telecom operator focused on supplying broadband and cable TV services to urban areas of Java. Link Net has a strong commitment to shareholder value with a high and rising dividend plus a share repurchase programme. The bulk of the capex is incurred when passing a home (regardless of whether the home signs up) so the incremental returns come from converting homes passed into paying customers. Incremental ROICs are 100% on new customers. They have passed 2m homes and have connected 560,000 customers so there is upside from increasing the conversion rate from 26%. This also provides barriers to entry as new competitors seeking to enter their areas are going to struggle to get enough penetration to make enough money to create a viable business. The stock trades on 11x P/E and has a 4.5% dividend yield with a net cash balance sheet.

Prusik Asia Equity Income Fund Half Year Report June 2018 (continued)

Indonesian Broadband is Very Under Penetrated





Source: Net Link

Prusik Asia Equity Income Fund Half Year Report June 2018 (continued)

Exited Positions

Fortune REIT

Although we believe that the gap between private and public valuations for **Fortune REIT** provides considerable support for the stock, the valuation in absolute terms leaves little room for disappointment and we have decided to exit our (small) position in the stock.

KT&G

We have decided to exit the position as the fundamentals are continuing to weaken as the company loses market share in both traditional and new (e-cigarette) markets.

Nagacorp

The stock reached our price target after announcing strong results.

Wuliangye Yibin

Although the business fundamentals remain strong and the earnings and price momentum are robust, the valuation (at 27x P/E) means that the downside risk is substantial if the business conditions weaken.

Gree Electric Appliances

The valuation remains optically attractive but the cyclical tailwinds that have supported the stock are fading (cooling property market) and the margins are unsustainably high. The company is still determined to expand outside the core air conditioning market (e.g. into mobile phones) which we think is worrying.

Asia Pay Television Trust

Asia Pay TV has been unable to grow its broadband business and value-added cable TV services which are key to increasing returns. In addition, they continue to borrow money to pay the dividend which has led to debt to EBITDA increasing to 7.0x – a level we believe is too high for a company with minimal EBITDA growth and an aggressive dividend policy. Although the dividend yield is optically high (16%) we believe this reflects the unsustainability of the policy and we have therefore exited the position.

Kangwon Land

Kangwon Land operates the only casino in Korea that domestic gamblers are able to visit. As a result, it has always operated at full capacity and has never had to worry about attracting business. The only negative is that the new government in Korea has decided that it is unhappy with the level of gambling in Korea and so announced that it will reduce both the number of tables and opening hours of Kangwon Land, which has reduced the earnings potential of the company considerably. Add to that the fact that they are still expanding their non-gaming investments, we believe return on capital will continue to fall and have therefore decided to exit the position.

CPN Retail Growth Fund & Glow Energy

These are both "bond proxy" stocks in Thailand which have benefited from the falling bond yields in Thailand causing investors to switch into safe, dividend paying stocks like these two names. As a result, the upside potential no longer justifies the risk profile – especially as Thai Bond yields are now at 2.6%, lower than US treasury yields – a situation which appears unsustainable given the respective credit risks of the two countries.

SCHEDULE OF INVESTMENTS - Prusik Asian Equity Income Fund

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock (31 December 2017: 72.60%)					
Australia (31 December 2017: 2.78%)					
	3,000,000	Atlas Arteria Ltd.	12,907,774	14,252,416	1.53%
	2,500,000	Brambles Ltd.	17,088,980	16,402,469	1.77%
	4,000,000	Transurban Group	33,148,560	35,376,137	3.81%
			63,145,314	66,031,022	7.11%
China (31 December 2017: 10.75%)					
	40,000,000	Beijing Capital International Airport Co. Ltd.	35,307,376	42,156,775	4.54%
	30,000,000	China Xinhua Education Group Ltd.	12,593,529	13,763,397	1.48%
	12,999,871	Guangdong Provincial Expressway Development Co. Ltd.	11,597,312	10,271,470	1.11%
	50,000,000	Zhejiang Expressway Co. Ltd.	52,187,663	44,603,602	4.80%
			111,685,880	110,795,244	11.93%
Hong Kong (31 December 2017: 22.52%)					
	4,424,800	AIA Group Ltd.	24,889,437	38,682,955	4.17%
	5,000,000	CK Hutchison Holdings Ltd.	59,521,534	53,014,566	5.71%
	3,000,000	CK Infrastructure Holdings Ltd.	24,364,166	22,231,709	2.39%
	17,805,500	HKBN Ltd.	20,218,683	27,410,881	2.95%
	20,000,000	HKT Trust & HKT Ltd.	26,080,823	25,385,821	2.73%
	45,000,000	PCCW Ltd.	26,613,039	25,347,590	2.73%
	22,500,000	Swire Pacific Ltd.	37,755,739	40,028,546	4.31%
			219,443,421	232,102,068	24.99%
India (31 December 2017: 5.19%)					
	1,143,733	Indiabulls Housing Finance Ltd.	12,843,173	19,030,888	2.05%
	26,790,000	IRB InvIT Fund	36,267,091	31,035,346	3.34%
	16,000,000	Power Grid Corp. of India Ltd.	37,374,860	43,826,011	4.72%
			86,485,124	93,892,245	10.11%
Indonesia (31 December 2017: 2.57%)					
	145,000,000	Cikarang Listrindo Tbk PT	16,626,257	11,939,986	1.29%
	50,000,000	Link Net Tbk PT	16,405,132	15,317,516	1.65%
	546,333,500	Sarana Menara Nusantara Tbk PT	31,385,910	23,637,597	2.54%
			64,417,299	50,895,099	5.48%
New Zealand (31 December 2017: 6.34%)					
	6,000,000	Contact Energy Ltd.	23,085,765	23,738,128	2.56%
	4,500,000	Fonterra Co-operative Group Ltd.	19,781,996	16,555,823	1.78%
	6,000,000	SKYCITY Entertainment Group Ltd.	16,145,232	16,393,511	1.76%
			59,012,993	56,687,462	6.10%
Pakistan (31 December 2017: 0.26%)					
	1,541,000	United Bank Ltd./Pakistan	3,381,290	2,137,479	0.23%
			3,381,290	2,137,479	0.23%
Philippines (31 December 2017: 0.00%)					
	250,000,000	Metro Pacific Investments Corp.	27,016,667	21,548,695	2.32%
			27,016,667	21,548,695	2.32%

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

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock (31 December 2017: 72.60%) (continued)					
Singapore (31 December 2017: 1.37%)					
	4,500,000	Singapore Exchange Ltd.	25,732,638	23,672,047	2.55%
			25,732,638	23,672,047	2.55%
South Korea (31 December 2017: 13.35%)					
	4,711,125	Macquarie Korea Infrastructure Fund	32,486,198	37,874,993	4.08%
	1,500,000	Samsung Electronics Co. Ltd.	29,527,261	50,672,948	5.46%
			62,013,459	88,547,941	9.54%
Thailand (31 December 2017: 6.97%)					
	50,071,000	Digital Telecommunications Infrastructure Fund	15,702,348	21,914,564	2.36%
	127,600,000	Jasmine Broadband Internet Infrastructure Fund	37,520,639	38,322,366	4.13%
			53,222,987	60,236,930	6.49%
		Total Common Stock	**775,557,072**	**806,546,232**	**86.85%**
Real Estate Investment Trusts (31 December 2017: 4.43%)					
Australia (31 December 2017: 1.61%)					
	10,000,000	Scentre Group	30,744,937	32,435,514	3.49%
			30,744,937	32,435,514	3.49%
		Total Real Estate Investment Trusts	**30,744,937**	**32,435,514**	**3.49%**
Warrant (31 December 2017: 9.40%)					
China (31 December 2017: 7.67%)					
	18,799,993	Shenzhen Airport Co. Ltd. 24/09/2018	25,116,754	21,707,694	2.34%
	8,699,994	Shenzhen Airport Co. Ltd. 17/10/2022	11,445,539	10,045,578	1.08%
			36,562,293	31,753,272	3.42%
Luxembourg (31 December 2017: 0.00%)					
	231,267	Societe Generale SA 15/02/2019	4,388,729	3,848,115	0.42%
			4,388,729	3,848,115	0.42%
Pakistan (31 December 2017: 1.31%)					
	7,028,100	United Bank Ltd. 13/07/2018	11,234,200	9,748,488	1.05%
	750,000	United Bank Ltd. 16/07/2019	1,259,784	1,040,305	0.11%
			12,493,984	10,788,793	1.16%
		Total Warrants	**53,445,006**	**46,390,180**	**5.00%**
		Total Fair Value of Investments	**859,747,015**	**885,371,926**	**95.34%**

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

Forward Foreign Currency Contracts (31 December 2017: 0.21%)

Currency Bought	Amount Bought	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) USD	% of Net Assets
USD	93	GBP	(70)	30/07/2018	Brown Brothers Harriman	0	0.00%
GBP	565	USD	(741)	30/07/2018	Brown Brothers Harriman	3	0.00%
SGD	2,319,107	USD	(1,702,112)	30/07/2018	Brown Brothers Harriman	266	0.00%
USD	86,881	GBP	(65,648)	30/07/2018	Brown Brothers Harriman	446	0.00%
SGD	6,530,957	USD	(4,793,405)	30/07/2018	Brown Brothers Harriman	749	0.00%
USD	1,136,663	GBP	(860,098)	30/07/2018	Brown Brothers Harriman	4,213	0.00%
USD	1,598,178	GBP	(1,209,321)	30/07/2018	Brown Brothers Harriman	5,923	0.00%
	Total unrealised gains on Forward Foreign Currency Contracts					**11,600**	**0.00%**
	Total Financial Assets at Fair Value through Profit or Loss					**885,383,526**	**95.34%**
GBP	381	USD	(504)	30/07/2018	Brown Brothers Harriman	(3)	0.00%
USD	170,867	GBP	(129,780)	30/07/2018	Brown Brothers Harriman	(8)	0.00%
USD	31,716	SGD	(43,249)	30/07/2018	Brown Brothers Harriman	(32)	0.00%
GBP	10,975	USD	(14,525)	30/07/2018	Brown Brothers Harriman	(74)	0.00%
USD	88,264	SGD	(120,359)	30/07/2018	Brown Brothers Harriman	(88)	0.00%
USD	99,308	GBP	(75,691)	30/07/2018	Brown Brothers Harriman	(350)	0.00%
GBP	63,072,489	USD	(83,365,936)	30/07/2018	Brown Brothers Harriman	(321,403)	(0.03%)
GBP	88,884,514	USD	(117,482,928)	30/07/2018	Brown Brothers Harriman	(452,935)	(0.05%)
	Total unrealised losses on Forward Foreign Currency Contracts					**(774,893)**	**(0.08%)**
	Total Financial Liabilities at Fair Value through Profit or Loss					**(774,893)**	**(0.08%)**

	Value USD	% of Net Assets
Cash	44,508,640	4.79%
Other Net Liabilities	(432,074)	(0.05%)
Net Assets Attributable to Holders of Redeemable Participating Shares	**928,685,199**	**100.00%**

BALANCE SHEET - Prusik Asian Equity Income Fund

	Notes	As at 30 June 2018 USD	As at 31 December 2017 USD
Assets			
Financial assets, at cost		859,747,015	718,547,661
Financial assets at fair value through profit or loss			
- Transferable securities		806,546,232	739,424,466
- Warrants		46,390,180	95,668,857
- Collective investment schemes		32,435,514	45,049,820
- Financial derivative instruments		11,600	2,177,274
Cash		44,508,640*	132,410,726*
Receivable for investments sold		278,979	–
Dividends receivable		3,593,897	3,830,413
Subscriptions receivable		234,416	1,249,519
Other assets		284	195
Total assets		**933,999,742**	**1,019,811,270**
Liabilities			
Financial liabilities at fair value through profit or loss			
- Financial derivative instruments		774,893	3,925
Payable for investments purchased		875,695	–
Redemptions payable		2,638,661	305,408
Investment management fees	2	773,577	804,141
Administration fees	3	99,892	95,631
Depositary fees	4	78,678	91,309
Directors' fees	5	928	3,454
Audit fees		8,352	21,354
Performance fees	2	747	871
Professional fees		59,368	78,077
Other liabilities		3,752*	5,392*
Total liabilities		**5,314,543**	**1,409,562**
Net Assets Attributable to Holders of Redeemable Participating Shares		**928,685,199**	**1,018,401,708**

*The figure has been adjusted to account for balances in the name of the Company. As at 30 June 2018 the amount of Company account included in Cash and Other liabilities was USD Nil (USD 103: 31 December 2017).

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

BALANCE SHEET - Prusik Asian Equity Income Fund (continued)

	Notes	As at 30 June 2018	As at 31 December 2017	As at 31 December 2016
Class 2 X US Dollar Distributing Class				
Net Assets		USD 513,289,409	USD 550,242,294	USD 416,644,335
Outstanding Redeemable Participating Shares	1	2,928,102	2,874,709	2,781,067
Net Asset Value per Share		USD 175.30	USD 191.41	USD 149.81
Class 2 Y Sterling Distributing Class				
Net Assets		GBP 61,558,983	GBP 67,813,783	GBP 53,070,265
Outstanding Redeemable Participating Shares	1	356,566	356,181	350,670
Net Asset Value per Share		GBP 172.64	GBP 190.39	GBP 151.34
Class 2 Z Singapore Distributing Class				
Net Assets		SGD 2,253,109	SGD 2,504,540	SGD 2,355,459
Outstanding Redeemable Participating Shares	1	12,923	13,083	15,608
Net Asset Value per Share		SGD 174.35	SGD 191.44	SGD 150.91
Class A US Dollar Non-Distributing Class				
Net Assets		USD 5,059,782	USD 5,801,859	USD 5,183,712
Outstanding Redeemable Participating Shares	1	18,878	20,114	23,861
Net Asset Value per Share		USD 268.03	USD 288.45	USD 217.25
Class B US Dollar Distributing Class				
Net Assets		USD 112,270,144	USD 130,724,236	USD 103,192,731
Outstanding Redeemable Participating Shares	1	572,144	610,136	616,616
Net Asset Value per Share		USD 196.23	USD 212.25	USD 167.35
Class C Sterling Distributing Class				
Net Assets		GBP 86,652,646	GBP 95,937,831	GBP 81,248,045
Outstanding Redeemable Participating Shares	1	450,214	452,026	482,470
Net Asset Value per Share		GBP 192.47	GBP 212.24	GBP 168.40
Class D Singapore Dollar Distributing Class				
Net Assets		SGD 6,346,519	SGD 6,964,936	SGD 5,481,283
Outstanding Redeemable Participating Shares	1	33,772	33,772	33,772
Net Asset Value per Share		SGD 187.92	SGD 206.23	SGD 162.30
Class E Singapore Dollar Distributing Class				
Net Assets		SGD 19,314,775	SGD 20,143,210	SGD 15,866,085
Outstanding Redeemable Participating Shares	1	60,238	59,858	58,487
Net Asset Value per Share		SGD 320.64	SGD 336.52	SGD 271.28
Class U Sterling Unhedged Distributing Class				
Net Assets		GBP 62,880,196	GBP 65,532,540	GBP 53,313,420
Outstanding Redeemable Participating Shares	1	374,396	366,766	347,621
Net Asset Value per Share		GBP 167.95	GBP 178.68	GBP 153.37

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

PROFIT AND LOSS ACCOUNT - Prusik Asian Equity Income Fund

	Notes	For the period ended 30 June 2018 USD	For the period ended 30 June 2017 USD
Investment income			
Dividend income		23,684,324	19,270,242
Interest income		311,592	71,506
Miscellaneous income		16,685	11,191
Net realised gain on financial assets and liabilities at fair value through profit or loss		43,822,351	50,316,733
Movement in net unrealised (loss)/gain on financial assets and liabilities at fair value through profit or loss		(138,971,368)	122,521,933
Total (loss)/income		**(71,136,416)**	**192,191,605**
Expenses			
Investment management fees	2	4,906,269	4,245,274
Administration fees	3	203,806	190,154
Depositary fees	4	260,091	251,595
Directors' fees	5	18,438	16,226
Audit fees		10,615	9,807
Professional fees		42,639	44,090
Performance fees	2	41,696	1,174,159
Transaction costs		953,649	700,036
Other expenses		312,570	873
Total expenses		**6,749,773**	**6,632,214**
Net (expense)/income before finance costs		**(77,886,189)**	**185,559,391**
Finance costs			
Overdraft interest		–	(252)
Distributions paid		(14,311,827)	(12,969,678)
Indian capital gains tax		–	(27,089)
Total finance costs		**(14,311,827)**	**(12,997,019)**
Withholding tax on dividends		(1,901,539)	(1,316,195)
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations		**(94,099,555)**	**171,246,177**

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

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

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

	Notes	For the 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		(94,099,555)	171,246,177
Capital Share Transactions of Redeemable Participating Shares			
Proceeds from issuance of Redeemable Participating Shares	1	35,240,667	32,999,001
Payments on redemption of Redeemable Participating Shares	1	(30,899,317)	(36,121,858)
Issuance of Redeemable Participating Shares in exchange for cancellation of performance fee equalization credits	2	41,696	17,453
Net increase/(decrease) from Capital Share Transactions of Redeemable Participating Shares		4,383,046	(3,105,404)
Change in Net Assets Attributable to Holders of Redeemable Participating Shares		(89,716,509)	168,140,773
Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the period		1,018,401,708	772,240,131
Net Assets Attributable to Holders of Redeemable Participating Shares at the end of the period		**928,685,199**	**940,380,904**

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 (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 23 and 24, 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 purchases or sales are purchases or sales of financial instruments that require delivery of assets within the period generally established by regulation or convention in the market place.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

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

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

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

(v) Subsequent Measurement
After initial measurement, the Fund measures financial instruments classified as financial assets at fair value through profit or loss at their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The value of any security which is not quoted, listed or dealt in on a Recognised Exchange or which is so quoted, listed or dealt but for which no such quotation or value is available or the available quotation or value is not representative of the fair market value shall be the probable realisation value as estimated with care and good faith by the Directors or by a competent person, firm or corporation appointed 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 contracts 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 real estate investment trusts shall be valued at the latest available net asset value per unit or bid price as published by the relevant real estate investment trusts or, if traded on a Recognised Exchange, in accordance with listed securities above. The real estate investment trusts held by the Company as at 30 June 2018 are included in the Schedule of Investments.

Warrants
The Company may invest in warrants. Warrants which are fully paid up and have a zero strike price exhibit the identical risk and return characteristics as in the case where the Company had acquired the underlying equity directly. Such warrants are valued at the last bid price for the underlying equity quoted on the stock exchange or principal market on which it is listed or, if the bid price is unavailable or unrepresentative, the last available mid price on such stock exchange or market. The warrants held by the Company as at 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 31 December 2010. In the event that a distribution is paid it will be paid out of the net investment income and/or net realised and unrealised capital gains (i.e. realised and unrealised gains net of realised and unrealised losses) of the Fund. The Directors have discretion from time to time to declare such dividends as may appear to them to be justified out of the net income accruing to the Fund in respect of each class of Shares of the Fund. As a consequence of the investment management fees and expenses being charged to the capital of the Fund, the capital may be eroded and the income of the Fund shall be achieved by foregoing the potential of future capital growth. Distributions made during the life of the Fund must therefore be understood as a type of capital reimbursement. Distributions paid or payable during the period ended 30 June 2018 were USD 14,311,827 (USD 12,969,678: 30 June 2017).

The following table summarises the dividends distributed by the Fund during the period ended 30 June 2018:

Share Class	Ex-Date	Distribution per Share USD
Class 2 X US Dollar Distributing Class	2 January 2018	2.7556
Class 2 Y Sterling Distributing Class	2 January 2018	3.6406
Class 2 Z Singapore Dollar Distributing Class	2 January 2018	2.0534
Class B US Dollar Distributing Class	2 January 2018	3.0813
Class C Sterling Distributing Class	2 January 2018	4.0591
Class D Singapore Dollar Distributing Class	2 January 2018	2.2117
Class U Sterling (Unhedged) Distributing Class	2 January 2018	3.4822

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Distributions Payable to Holders of Redeemable Participating Shares (continued)

The following table summarises the dividends distributed by the Fund during the period ended 30 June 2017:

Share Class	Ex-Date	Distribution per Share USD
Class 2 X US Dollar Distributing Class	3 January 2017	2.5381
Class 2 Y Sterling Distributing Class	3 January 2017	3.3151
Class 2 Z Singapore Dollar Distributing Class	3 January 2017	1.8330
Class B US Dollar Distributing Class	3 January 2017	2.8371
Class C Sterling Distributing Class	3 January 2017	3.6925
Class D Singapore Dollar Distributing Class	3 January 2017	1.9730
Class U Sterling (Unhedged) Distributing Class	3 January 2017	3.2287

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 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 recognised in the Profit and Loss Account.

Transaction Costs

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

Expenses

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Subscriptions Receivable & Redemptions Payable

Subscriptions receivable represents amounts for transactions contracted for but not yet paid for by the end of the year. These amounts are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition. The carrying amount approximates to their fair value.

Shareholders may redeem their Shares on and with effect from any Dealing Day at the Net Asset Value per Share calculated on or with respect to the relevant Dealing Day by serving a Redemption Notice on the Administrator. No redemption payment will be made until the original subscription application form and all documentation required by or on behalf of the Company has been received from the investor and the anti-money laundering procedures have been completed.

1. Share Capital

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

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

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

The movement in the number of redeemable participating shares for the period ended 30 June 2018 is as follows:

	Class 2 X US Dollar Distributing Class Shares	Class 2 Y Sterling Distributing Class Shares	Class 2 Z Singapore Distributing Class Shares
At the beginning of the period	2,874,709	356,181	13,083
Redeemable Participating Shares issued	122,104	17,566	–
Redeemable Participating Shares redeemed	(68,711)	(17,181)	(160)
At the end of the period	2,928,102	356,566	12,923

	Class A US Dollar Non-Distributing Class Shares	Class B US Dollar Distributing Class Shares	Class C Sterling Distributing Class Shares
At the beginning of the period	20,114	610,136	452,026
Redeemable Participating Shares issued	134	3,881	9,044
Redeemable Participating Shares redeemed	(1,370)	(41,873)	(10,856)
At the end of the period	18,878	572,144	450,214

	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	33,772	59,858	366,766
Redeemable Participating Shares issued	–	1,025	13,151
Redeemable Participating Shares redeemed	–	(645)	(5,521)
At the end of the period	33,772	60,238	374,396

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 2 X US Dollar Distributing Class Shares	**Class 2 Y Sterling Distributing Class Shares**	**Class 2 Z Singapore Distributing Class Shares**
At the beginning of the period	2,781,067	350,670	15,608
Redeemable Participating Shares issued	141,302	23,605	160
Redeemable Participating Shares redeemed	(144,397)	(19,579)	(902)
At the end of the period	2,777,972	354,696	14,866

	Class A US Dollar Non-Distributing Class Shares	**Class B US Dollar Distributing Class Shares**	**Class C Sterling Distributing Class Shares**
At the beginning of the period	23,861	616,616	482,470
Redeemable Participating Shares issued	340	5,659	1,620
Redeemable Participating Shares redeemed	(2,780)	(9,634)	(23,120)
At the end of the period	21,421	612,641	460,970

	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	33,772	58,487	347,621
Redeemable Participating Shares issued	–	723	17,382
Redeemable Participating Shares redeemed	–	–	(6,584)
At the end of the period	33,772	59,210	358,419

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

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

2. Investment Management Fees

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

The Investment Manager receives from the Company a fee of 1% per annum of the NAV of the Fund together with Value Added Tax ("VAT"), if any, on such fee. Fees payable to the Investment Manager shall be accrued at each Valuation Point and shall be payable monthly in arrears. The Company shall bear the cost of any VAT applicable to any fees or other amounts payable to or by such nominee in the performance of their respective duties. Class E Singapore Dollar Distributing Shares are not charged an Investment Management Fee.

The Investment Manager earned a fee of USD 4,906,269 during the period ended 30 June 2018 (USD 4,245,274: 30 June 2017), of which USD 773,577 is outstanding at the period end (USD 804,141: 31 December 2017).

2. Investment Management Fees (continued)

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

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

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

For further details on the Performance Fee calculations and Equalisation Credits please refer to the Prospectus. The Investment Manager may, at its sole discretion, agree with any Shareholder, to rebate, return and or remit any part of the Management and Performance Fee which is paid or payable to the Investment Manager. Details of the Performance fees and Equalisation fees charged to the Company and payable at the end of the period are included in the Profit and Loss Account and Balance Sheet, respectively.

A Performance Fee of USD 41,696 was earned during the period ended 30 June 2018 (USD 1,174,159: 30 June 2017), which includes USD 41,696 due to the issuance of redeemable participating shares in exchange for cancellation of performance fee equalisation credits (USD 17,453: 30 June 2017). The performance fee outstanding at the end of the period was USD 747 (USD 871: 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 per Fund shall be charged at USD 500 per month. The Administrator is also entitled to receive registration fees and transaction and reporting charges at normal commercial rates which shall accrue daily and be paid monthly in arrears.

The Administrator is also entitled to be repaid out of the assets of the Company all of its reasonable out-of-pocket expenses incurred on behalf of the Company which shall include legal fees, couriers' fees and telecommunication costs and expenses together with VAT, if any, thereon.

The Administrator earned a fee of USD 203,806 during the period ended 30 June 2018 (USD 190,154: 30 June 2017) of which USD 99,892 is outstanding at the period end (USD 95,631: 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.

4. Depositary Fees (continued)

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 260,091 during the period ended 30 June 2018 (USD 251,595: 30 June 2017), of which USD 78,678 is outstanding at the period end (USD 91,309: 31 December 2017).

5. Directors' Fees

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

The Directors in aggregate earned fees of USD 18,438 for the period ended 30 June 2018 (USD 16,226: 30 June 2017), of which USD 928 is outstanding at the period end (USD 3,454: 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
Mark Dwerryhouse (Spouse) - Prusik Investment Management LLP	697	Class E Singapore Dollar Distributing Class
Heather Manners	2,187	Class C Sterling Distributing Class
Heather Manners	241	Class E Singapore Dollar Distributing Class
Tony Morris (Spouse)	265	Class E Singapore Dollar Distributing Class
Tony Morris	8,242	Class E Singapore Dollar Distributing Class
Richard Atkinson	525	Class E Singapore Dollar Distributing Class
Thomas Naughton (Partner of the Investment Manager)	49,056	Class E Singapore Dollar Distributing Class
Amirah Rani (employee of the Investment Manager)	298	Class E Singapore Dollar Distributing Class
Prusik Investment LLP	406	Class E Singapore Dollar Distributing Class
Prusik Investment Management Singapore Pte Ltd	78	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
Mark Dwerryhouse (Spouse) - Prusik Investment Management LLP	697	Class E Singapore Dollar Distributing Class
Heather Manners	2,187	Class C Sterling Distributing Class
Heather Manners	241	Class E Singapore Dollar Distributing Class
Tony Morris (Spouse)	265	Class E Singapore Dollar Distributing Class
Tony Morris	7,500	Class E Singapore Dollar Distributing Class
Thomas Naughton (Partner of the Investment Manager)	49,056	Class E Singapore Dollar Distributing Class
Zhao Bofeng (employee of the Investment Manager)	645	Class E Singapore Dollar Distributing Class
Amirah Rani (employee of the Investment Manager)	298	Class E Singapore Dollar Distributing Class
Prusik Investment LLP	123	Class E Singapore Dollar Distributing Class
Prusik Investment Management Singapore Pte Ltd	78	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.

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
Hong Kong Dollar	7.8469	7.8168
Indian Rupee	68.4525	63.8275
Indonesian Rupiah	14,330.0000	13,567.5000
Malaysian Ringgit	4.0395	4.0470
New Zealand Dollar	1.4786	1.4047
Pakistan Rupee	121.4500	110.3500
Philippine Peso	53.3675	–
Singapore Dollar	1.3630	1.3358
South Korean Won	1,114.5000	1,070.5500
Thailand Baht	33.1300	32.5900

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. These include warrants. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

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

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

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

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

11. Financial Risk Management (continued)

Fair Value Estimation (continued)

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

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The tables below provide an analysis within the fair value hierarchy of the Company's financial assets and liabilities measured at fair value at 30 June 2018 and 31 December 2017:

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	806,546,232	–	–	806,546,232
Real Estate Investment Trusts	32,435,514	–	–	32,435,514
Warrants	–	46,390,180	–	46,390,180
Forward Foreign Currency Contracts	–	11,600	–	11,600
Total Financial Assets at Fair Value Through Profit or Loss	838,981,746	46,401,780	–	885,383,526

Financial Liabilities at Fair Value Through Profit or Loss				
Forward Foreign Currency Contracts	–	(774,893)	–	(774,893)
Total Financial Liabilities at Fair Value Through Profit or Loss	–	(774,893)	–	(774,893)

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	739,424,466	–	–	739,424,466
Real Estate Investment Trusts	45,049,820	–	–	45,049,820
Warrants	–	95,668,857	–	95,668,857
Forward Foreign Currency Contracts	–	2,177,274	–	2,177,274
Total Financial Assets at Fair Value Through Profit or Loss	784,474,286	97,846,131	–	882,320,417

Financial Liabilities at Fair Value Through Profit or Loss				
Forward Foreign Currency Contracts	–	(3,925)	–	(3,925)
Total Financial Liabilities at Fair Value Through Profit or Loss	–	(3,925)	–	(3,925)

12. Portfolio Analysis

As at 30 June 2018	**Market Value USD**	**% of Total Assets**
Transferable securities admitted to an official exchange listing or dealt on another regulated market	849,770,538	90.98
Other securities	35,601,388	3.81
Financial derivative instruments (Forward Foreign Currency Contracts)	(763,293)	(0.08)
Net financial assets at fair value through profit or loss	884,608,633	94.71

As at 31 December 2017	**Market Value USD**	**% of Total Assets**
Transferable securities admitted to an official exchange listing or dealt on another regulated market	784,474,286	76.93
Other securities	95,668,857	9.38
Financial derivative instruments (Forward Foreign Currency Contracts)	2,173,349	0.21
Net financial assets at fair value through profit or loss	882,316,492	86.52

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.

Major Purchases for the period ended 30 June 2018

Security Description	Acquisitions Nominal	Cost USD
Swire Pacific Ltd. Class B	22,500,000	37,693,440
IRB InvIT Fund	26,790,000	36,200,988
Metro Pacific Investments Corp.	250,000,000	26,986,981
Singapore Exchange Ltd.	4,552,700	26,023,047
Jasmine Broadband Internet Infrastructure Fund	61,078,800	19,892,090
Sarana Menara Nusantara Tbk PT	67,600,000	18,678,205
Brambles Ltd.	2,500,000	17,079,820
Link Net Tbk PT	50,000,000	16,332,327
Scentre Group	5,000,000	15,278,846
Power Grid Corp. of India Ltd.	4,470,043	13,815,307
China Xinhua Education Group Ltd.	30,000,000	12,467,890
Transurban Group	1,297,297	11,482,325
Macquarie Atlas Roads Group	2,570,902	10,921,312
Swire Pacific Class A Ltd.	1,003,000	9,425,251
Fonterra Co.-operative Group Ltd.	2,000,000	8,893,822
Beijing Capital International Airport Co. Ltd.	7,108,000	8,511,917
Zhejiang Expressway Co. Ltd.	5,000,000	4,854,116
Indiabulls Housing Finance Ltd.	250,000	4,116,961
Contact Energy Ltd.	500,000	1,958,480
Macquarie Korea Infrastructure Fund	211,125	1,598,241

Total Sales for the period ended 30 June 2018

Security Description	Disposals Nominal	Proceeds USD
AIA Group Ltd.	3,075,200	26,950,991
Glow Energy PCL - Foreign	9,495,000	25,463,105
CPN Retail Growth Leasehold REIT	30,433,900	21,819,293
KT&G Corp.	200,000	18,786,985
Kangwon Land, Inc.	651,563	16,643,427
Asian Pay Television Trust	31,588,300	13,194,719
Fonterra Co.-operative Group Ltd.	3,000,000	10,847,009
Swire Pacific Class A Ltd.	1,003,000	10,143,125
Fortune Real Estate Investment Trust (Hong Kong)	6,424,000	8,060,386
NagaCorp Ltd.	6,614,000	6,578,163
HKBN Ltd.	2,194,500	3,412,342
Singapore Exchange Ltd.	52,700	293,783
Macquarie Atlas Roads Group	7,131	34,173

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

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