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

Annual Report and Audited Financial Statements
For the Financial Year Ended 31 December 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 31 December 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 29 May 2018.

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

DIRECTORS' REPORT

The Directors have pleasure in submitting their annual report together with the audited financial statements for Prusik Umbrella UCITS Fund plc (the "Company") for the financial year ended 31 December 2018.

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

Directors' Responsibility Statement

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

Irish company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the assets, liabilities and financial position of the Company and of the profit or loss of the Company for that year. Under that law, the Directors have elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable law and the accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company, and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland, and comply with the Irish Companies Act 2014 (the "Companies Act") and the Central Bank (Supervision and Enforcement) Act 2013 (section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (S.I. No. 420 of 2015), as amended (the "Central Bank UCITS Regulations"). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

Accounting Records

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

Directors' Compliance Statement

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

Statement of Relevant Audit Information

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

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

Directors

The names of the persons who were Directors at any time during the year to 31 December 2018 are set out below.

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

Directors' and Secretary's Interests

The following Directors held Shares in the Company as at 31 December 2018:

Heather Manners (Director)	2,187	Class C Sterling Distributing Class
Heather Manners (Director)	241	Class E Singapore Dollar Distributing Class
Tony Morris (Director)	9,000	Class E Singapore Dollar Distributing Class
Tony Morris (Spouse)	265	Class E Singapore Dollar Distributing Class

Other than those disclosed above, none of the Directors, the Secretary, nor their families hold or held any beneficial interests in the Company at 31 December 2018 or during the year.

Audit Committee

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

Connected Parties

In accordance with the Central Bank UCITS Regulations, any transaction carried out with the Company by the Investment Manager, the Depositary and/or associated or group companies of these entities ("connected parties") must be carried out as if negotiated at arm's length. Such transactions must be in the best interest of the shareholders of the Company.

The Board of Directors of the Company is satisfied that (i) there are arrangements (evidenced by written procedures) in place to ensure that the obligations set out above are applied to all transactions with connected parties; and (ii) transactions with connected parties entered into during the year complied with these obligations.

Results, Activities and Future Developments

A review of the principal activities is included in the Investment Manager's Report.

Details of the assets, liabilities and financial position of the Company and results for the year ended 31 December 2018 are set out on pages 29 to 31. The Net Assets Attributable to Holders of Redeemable Participating Shares as at 31 December 2018 was US Dollar ("USD") 866,066,857 (USD 1,018,401,708: 31 December 2017).

The Company will continue to pursue its objectives as set out in detail in the Prospectus.

Dividend and Distributions

The Directors have discretion from time to time to declare such distributions as may appear to them to be justified out of the net income accruing to the Fund in respect of each class of Shares of the Fund. The Fund has been granted reporting fund status by Her Majesty's Revenue and Customs ("HMRC"). As a consequence of the investment management fees and expenses being charged to the capital of the Fund, the capital may be eroded and the income of the Fund shall be achieved by foregoing the potential for future capital growth. Distributions made during the life of the Fund must therefore be understood as a type of capital reimbursement. Distributions paid during the year ended 31 December 2018 amounted to USD 35,867,138 (USD 30,597,818: 31 December 2017).

Risk Management

The risks defined by Financial Reporting Standard FRS 102 "Financial Instruments: Disclosures" ("FRS 102"), arising from the Company's financial instruments are market risk (including market price risk, currency risk and interest rate risk), credit risk and liquidity risk. Details of these risks and how they are monitored, and where possible, managed by the Company, are set out in Note 13 "Financial Risk Management" on pages 44 to 50.

Brexit

The possible effects of Brexit on the Company and the Investment Manager are subject to ongoing and continual consideration and reaction. Communications from the parties' UK and Irish lawyers are being monitored to ensure all issues are covered, while taking account of the Memoranda of Understanding entered into between the UK and Irish regulators which have been noted. The Company's representatives monitor the situation closely taking action as necessary. As the majority of investors in the Company are domiciled in the UK it is not anticipated that Brexit will have a material impact on the marketing activities of the Fund's UK-based distributor. Similarly, as the focus of the Company's investment activity is centred on Asia ex-Japan with the base currency of the Fund being USD, it is not envisaged that Brexit will impact the Fund to any significant degree.

Segregated Liability

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

Independent Auditors

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

Events during the Year

The Company's Prospectus has been updated on 29 May 2018 to cover for MiFID II (Markets in Financial Instruments Directive) and GDPR (General Data Protection Regulation). There were no other significant updates in the Prospectus.

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

Events since the Year End

There were no events since the year end that had a material effect on the financial statements.

Corporate Governance Statement

The Company is subject to and complies with Irish statute comprising the Companies Act (as amended) as applicable to investment funds and the Central Bank UCITS Regulations. The Board of Directors (the "Board") voluntarily adopted the Corporate Governance Code for Irish Domiciled Collective Investment Schemes as published by Irish Funds (the "IF Code") which came into effect on 1 January 2012. The Board has assessed the measures included in the IF Code as being consistent with its corporate governance practices and procedures for the financial year and there are no exceptions to be noted. Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

Financial Reporting Process - Description of Main Features
The Board is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Administrator to maintain the books and records. The Administrator is authorised and regulated by the Central Bank and must comply with the rules imposed by the Central Bank. The Administrator is also contractually obliged to prepare, for review and approval by the Board, the annual report, including financial statements intended to give a true and fair view, and the half yearly financial statements.

Corporate Governance Statement (continued)

Financial Reporting Process - Description of Main Features (continued)
The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board may also examine and evaluate the Administrator's financial accounting and reporting routines while the Administrator has the responsibility in respect of monitoring the internal controls in relation to the financial reporting process.

Risk Assessment
The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board relies on the Administrator to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

Control Activities
The Administrator maintains control structures to manage the risks over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report. Examples of control activities exercised by the Administrator include analytical review procedures, reconciliations and automated controls over IT systems.

Information and Communication
The Company's policies and the Board's consideration of areas of relevance for financial reporting on an annual basis are updated and communicated via appropriate channels, such as e-mail, correspondence and meetings to ensure that all financial reporting information requirements are met in a complete and accurate manner.

Monitoring
The Board receives regular presentations and reviews reports from the Depositary, Investment Manager and Administrator. The Board relies on the Administrator's process to ensure that appropriate measures are taken to consider and address any shortcomings identified and measures recommended by the Auditors.

Capital Structure
No person has any special rights of control over the Company's share capital. There are no restrictions on voting rights.

Powers of the Directors
With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, Irish statute comprising the Companies Act 2014 as applicable to investment funds and the Central Bank UCITS Regulations. The Articles of Association themselves may be amended by special resolution of the Shareholders.

The Board is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to the Investment Manager and other parties, subject to the supervision and direction by the Directors. The Directors have delegated the day-to-day administration of the Company to the Administrator and the investment management and distribution functions to the Investment Manager.

Shareholder Meetings
The Annual General Meeting of the Company will usually be held in Ireland, normally within six months of the end of each financial year. Notice convening the Annual General Meeting in each year at which the audited financial statements of the Company will be presented (together with the Directors' and Independent Auditors' Reports of the Company) will be sent to Shareholders at their registered addresses not less than 21 clear days before the date fixed for the meeting. Other general meetings may be convened from time to time by the Directors in such manner as provided by Irish law.

Each of the Shares entitles the holder to attend and vote at meetings of the Company represented by those Shares. Matters may be determined by a meeting of Shareholders on a show of hands unless a poll is requested by any Shareholder having the right to vote at the meeting or unless the chairman of the meeting requests a poll.

Corporate Governance Statement (continued)

Shareholder Meetings (continued)
No class of shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other share class or any voting rights in relation to matters relating solely to any other share class.

Any resolution to alter the class rights of the Shares requires the approval of three quarters of the holders of the Shares represented or present and voting at a general meeting of the class. The quorum for any general meeting of the class convened to consider any alteration to the class rights of the Shares shall be such number of Shareholders being two or more persons whose holdings comprise one third of the Shares.

Each of the Shares other than Subscriber Shares entitles the Shareholder to participate equally on a pro-rata basis in the dividends and net assets of the Fund in respect of which the Shares have been issued, save in the case of dividends declared prior to becoming a Shareholder.

Subscriber Shares entitle the Shareholders holding them to attend and vote at all general meetings of the Company but do not entitle the holders to participate in the dividends or net assets of the Company.

Composition and Operation of Board and Committees
There are currently three Directors and one alternate Director, all of whom are Non-Executive Directors and two of whom are independent of the Investment Manager as required by the Irish Stock Exchange Listing Rules for investment funds. The Directors may be removed by the shareholders by ordinary resolution in accordance with the procedures established under the Companies Act. The Board meets at least quarterly. There are no sub-committees of the Board.

On behalf of the Board of Directors

Richard Hayes
Director
10 April 2019

David Hammond
Director

Prusik Asian Equity Income Fund Full Year Report 2018

The Fund fell by 9.5% during 2018 compared to the index which fell by 13.7%. Our stock picking was positive in Australia, Korea, Thailand, Hong Kong but detracted from returns in India and Indonesia. The top 3 contributors were HKBN Ltd, Gree Electric Appliances and Macquarie Korea Infrastructure Fund. The bottom 3 contributors were Beijing Capital Airport, CK Hutchison and Samsung Electronics preferred shares.

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.

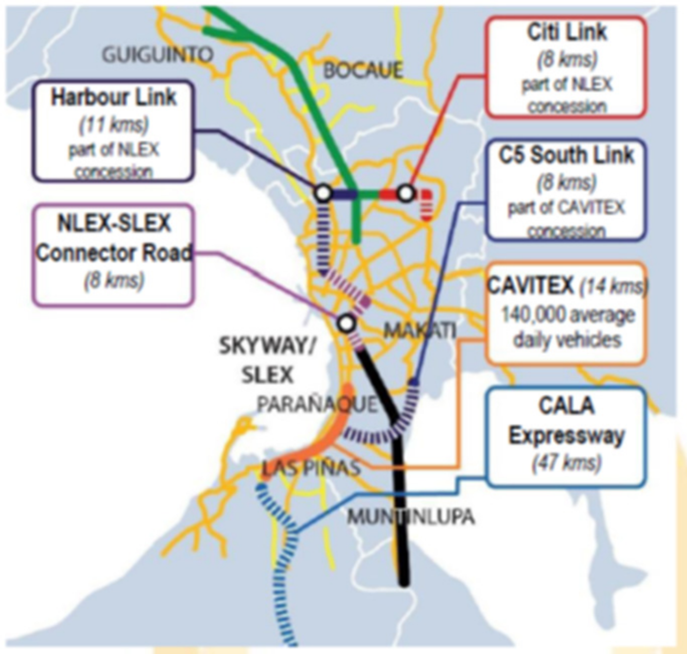
The investment case is relatively simple: The trust owns seven toll road projects with an average residual concession period of 17 years. The traffic growth on average is expected to be 5-6% a year and the company has a (partially) inflation protected toll rate agreement which allows tariffs to be increased 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 Asian Equity Income Fund Full Year Report 2018 (continued)

Metro Pacific Investments (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. The P/E of the stock, at 12.6x, is low both relative to other stocks in Asia and also its own history.

Prusik Asian Equity Income Fund Full Year Report 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).

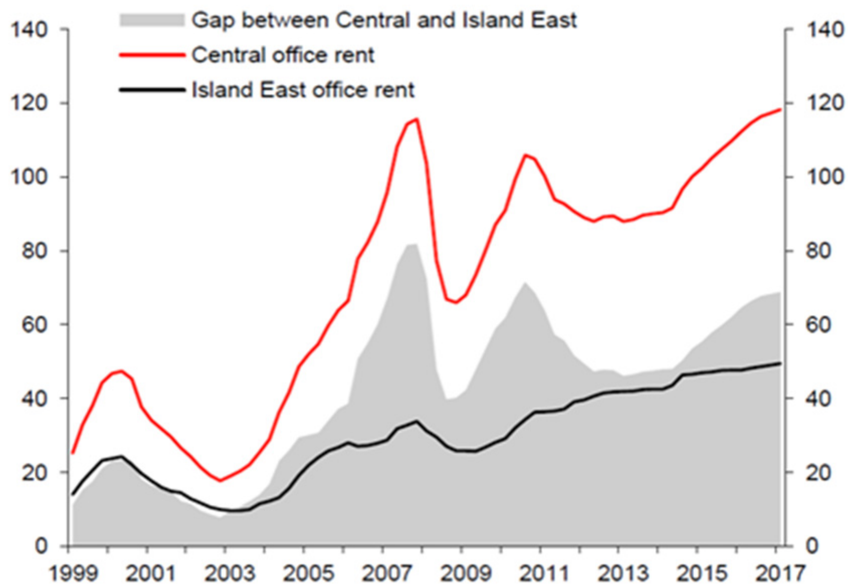
Investment Case

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 Asian Equity Income Fund Full Year Report 2018 (continued)

Investment Case (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.**
- Table below gives the valuation breakdown.

Prusik Asian Equity Income Fund Full Year Report 2018 (continued)

Valuation (continued)

	Stake	Valuation	% of total
Swire Properties	82%	191,880	85%
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%	

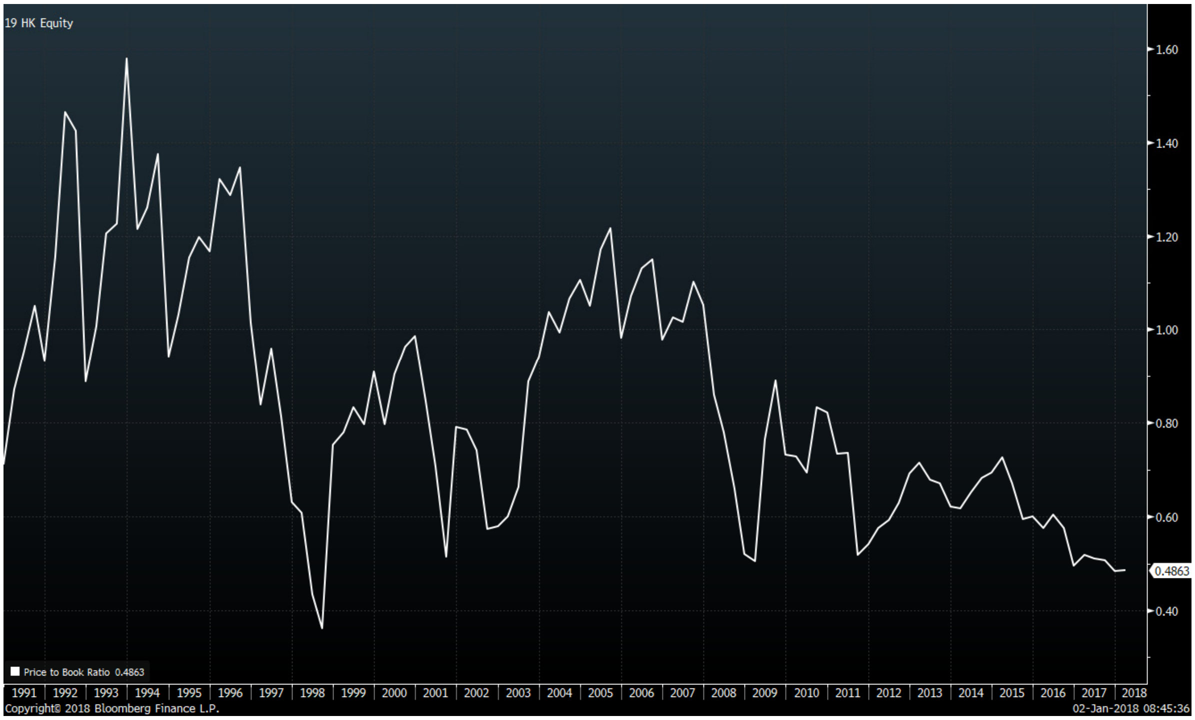
Source: Bloomberg

- **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.

INVESTMENT MANAGER'S REPORT (CONTINUED)

Prusik Asian Equity Income Fund Full Year Report 2018 (continued)

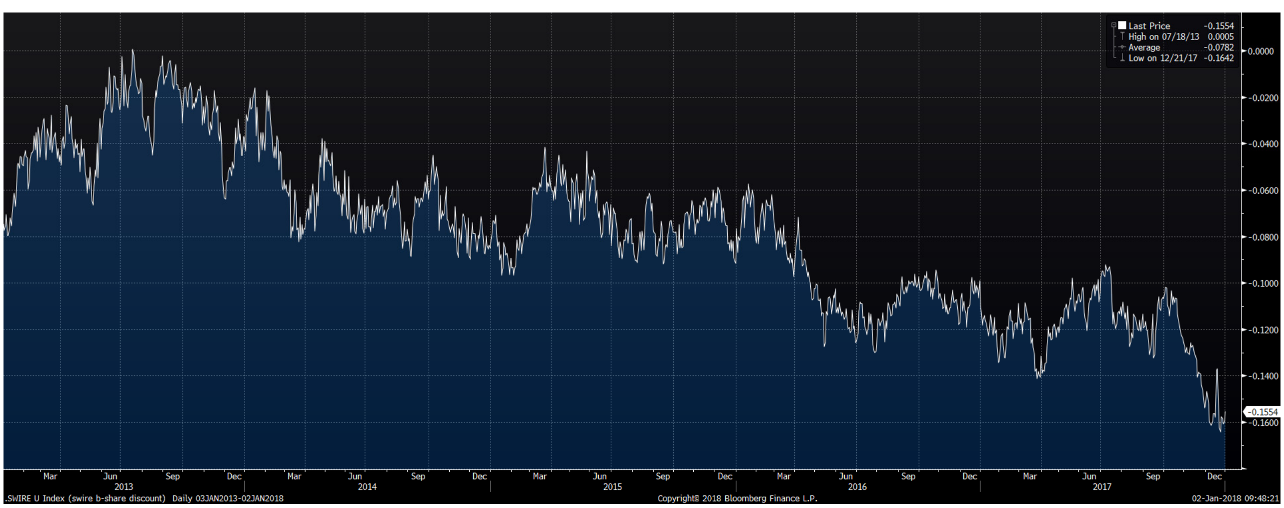
Price to Book Chart



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.



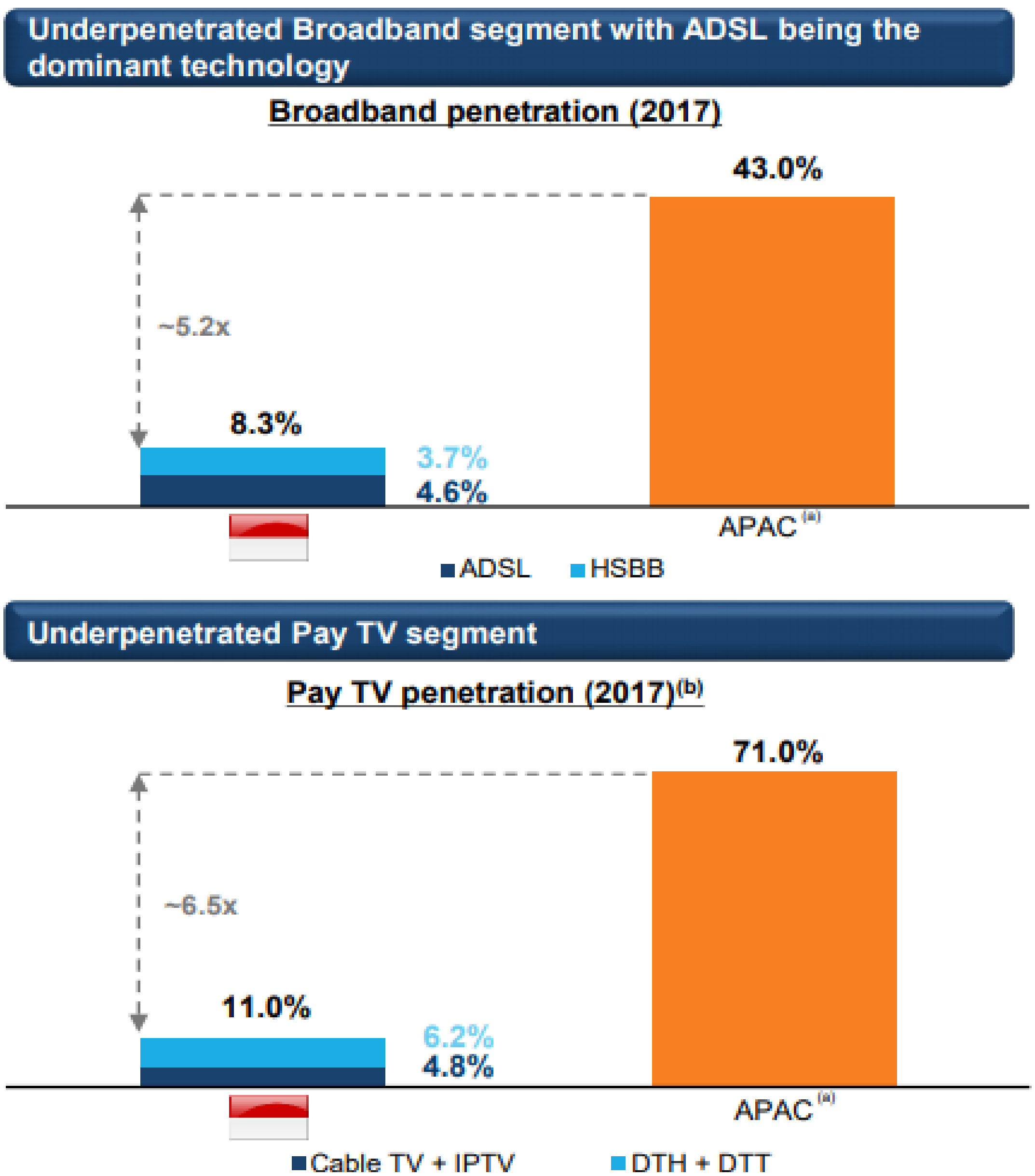
Source-Bloomberg

Prusik Asian Equity Income Fund Full Year Report 2018 (continued)

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 and 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.

Indonesian Broadband is Very Under Penetrated



Prusik Asian Equity Income Fund Full Year Report 2018 (continued)

RIO and BHP

BHP and **RIO** are thought of as commodity stocks but their franchise strength is, in our opinion, due to their ownership of the infrastructure (e.g. ports and rail capacity). Because iron ore is relatively abundant and easy to mine, two thirds of the capital spending is for rail and port capacity and only one third is for the actual mine. As a result, they can be thought of as similar to (but obviously not identical to) an infrastructure business with high, but volatile, margins. **BHP** and **RIO** own some of the lowest cost mines in the world, which are well located for the growth markets in Asia, so they are in a strong position both during times of market stress (as they don't lose money) and during expansion phases (as they are less affected by cost inflation). Concerns about the Chinese economy have pushed down the stocks in recent months but we believe this are now overly discounted. In addition, Chinese mills will increasingly be forced to import more iron ore due to the declining domestic supply (as a result of tougher pollution standards) and because China is focusing its industry on the most productive plants which require the highest quality iron ore (which domestic iron ore companies cannot produce). Both companies trade at around a 10% free cash flow yield and are likely to return much of that to investors over the coming years via dividends and buybacks. They both have essentially debt free balance sheets and significant opportunities to reinvest capital in new, high return projects.

CNOOC

At the time of purchase **CNOOC** was discounting an oil price of US$56/b which compared to the spot oil price of US$80/b and the long-term oil price of US$65/b. Although we have no strong view on the oil price, we believed the risk/reward at that level was attractive and the stock was trading at a 20-25% discount to fair value. Given that our portfolio tends to be "short" Energy (we own no oil stocks and own a number of stocks who use or whose customers use oil), it also is attractive from a portfolio management perspective. It is the cheapest major oil company in the world and trades on an 11% free cash flow yield and offers a 5% dividend yield.

First Pacific

First Pacific is a Hong Kong listed conglomerate which invests across Asia with a particular focus on Indonesia and the Philippines. Its 3 largest holdings are Indofood (the largest noodle company in the world), PLDT (the incumbent Telco in the Philippines) and Metro Pacific (a Philippine infrastructure operator which we also own in the portfolio).

The company has performed poorly over recent years partly due to the fact that they have been hit by the weakness in the Indonesian Rupiah and Philippine Peso – compounded by the fact that they have borrowed in US dollars to finance these assets. In addition, they have made some poor capital allocation decisions including investing in Singapore Power Business and Australian food producer, Goodman Fielder, which has proved troublesome. As a result, the stock now trades at a 48% discount to NAV. At this price, you are effectively paying a P/E of 6x for the 3 main businesses which we believe is excessively cheap. In addition, the stock has a dividend yield of 4%.

Although there are no specific catalysts on the horizon, the company is aware of the huge discount to fair value that the stock trades at and is seeking ways to narrow the gap. In our view, this could include selling off assets to reduce debt, buying back stock or indeed taking the business private.

Prusik Asian Equity Income Fund Full Year Report 2018 (continued)

Wynn Macau

The Macau gaming market is characterised by strong, long-term structural growth but subject to highly cyclical, short-term variation in demand and is affected by Chinese government policy. The structural growth is driven by mass and mass premium markets and is underpinned by several factors:

- **China remains under penetrated** (5-7% of Chinese people have been to Macau compared to 25-30% in US/Hong Kong)
- **Growing Chinese consumer spending**
- **Increasing hotel supply** (+25% from 2017-2020) leading to higher overnight visitation and more visitors from outside Guangdong
- **The Macau regulator restricts the number of tables in operation** which increases barriers to entry and reduces risk of oversupply
- **Increasing infrastructure investment** including Macau Bridge, Hengqin development, Guangzhou-Zhuhai intercity rail connection, Macau Airport expansion

The cyclical outlook for the business is currently negative due to the tighter liquidity environment in China. However, we think the market is too concerned about the impact of any slowdown on demand. In addition, the regulatory outlook is somewhat negative due to concerns that the Chinese government will tighten capital outflow controls and the licence renewal issue remains unclear.

Wynn Macau has one of the best brands in the market with the strongest product as well as the most efficient tables for both VIP and mass due to superior operating and marketing capabilities. This leads to its strong ROIC. It has a "hungry" parent company, (72% owner), which likes to upstream cash, meaning it pays out 75-100% of its free cash flow as dividends. The barriers to entry in the business are high due to the regulatory regime preventing new entrants. Even under conservative assumptions, we believe the company will pay a 8-9% dividend yield in 2019.

CK Assets & Sun Hung Kai Properties

These two new positions share very similar characteristics including:

- Ownership of investment properties in Hong Kong and China
- Trading at record low valuations (approx. 50% discount to net asset value)
- High quality assets with strong annuity like income (albeit with some cyclicality)
- Rock solid balance sheets
- Long track records in managing their businesses through difficult times

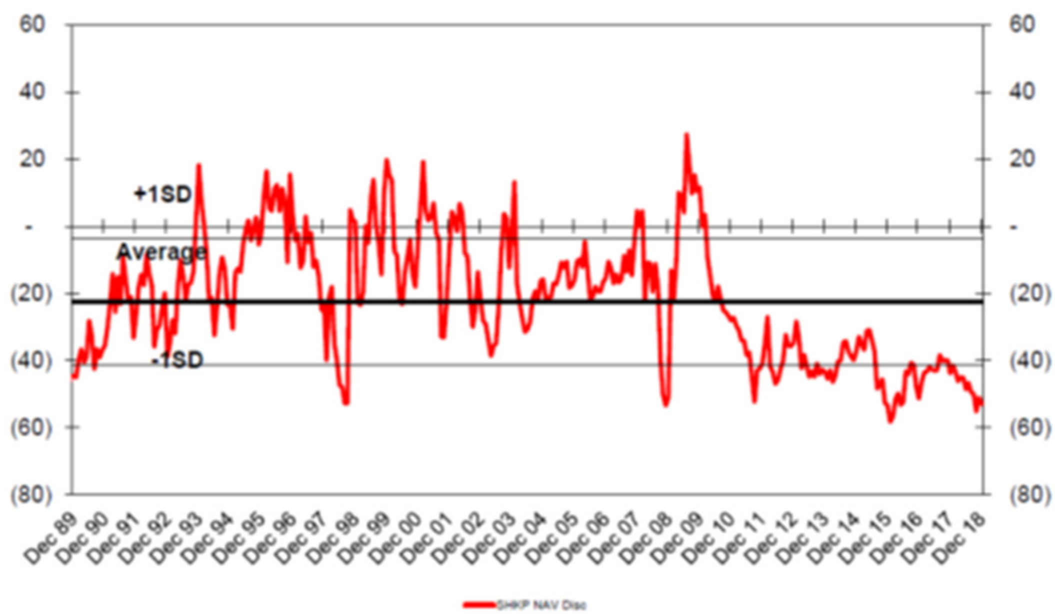
CK Assets was the company originally created to take the real estate assets when the Cheung Kong group was restructured in 2015. Since then, it has diversified into infrastructure (co-investing with other group companies). The company has a strong track record in selling assets when they achieve attractive valuations (e.g. at the end of 2017 they sold an office property in Hong Kong at a gross rental yield of just 2.2%) and buying assets when they are distressed. In addition, the company is buying back shares and the major shareholder is also increasing their stake in the market.

Sun Hung Kai Properties is known as a property developer but almost 80% of its valuation is comprised of investment property assets. We believe that the current valuation is excessively cheap as can be seen by the historic discount to NAV chart shown below.

Prusik Asian Equity Income Fund Full Year Report 2018 (continued)

CK Assets & Sun Hung Kai Properties (continued)

Figure 1. SHKP – NAV Discount



Source: dataCentral, Citi Research Estimates

Travelsky Technologies

Travelsky is the dominant global distribution system (GDS) provider in China for the domestic and international airline industry. In simple terms this means **Travelsky** operates a computerised network with real time airline seat inventory data which it provides to online and offline travel agents.

Despite being a service provider in a cyclical aviation industry, **Travelsky** operates a less cyclical business currently when compared to the domestic airlines. The company has a relatively simple and well-defined business model, adopting the same GDS model as its global peers, and operates in a natural monopoly with over 94% of the domestic market share. **Travelsky** has a strong balance sheet with net cash. In my opinion, it is very likely that we will see **Travelsky**'s revenue to grow in line with the air passenger growth in China of around 10% for some years to come.

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.

Prusik Asian Equity Income Fund Full Year Report 2018 (continued)

Exited Positions (continued)

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.

Fonterra

Put simply, this investment was a mistake. The company has invested over NZ$3bn in growth capex since listing but has not managed to generate a return on that investment. Its attempts to move from being just a processor of milk to a consumer company have been unsuccessful. Although the potential in the company remains, the lack of a strategy on how to achieve financial returns (and the suspension of the dividend) means that we have decided to exit.

Sky City

Given the greater competition for capital in the portfolio, we decided to exit **Sky City** given the limited valuation upside together with the risks surrounding the significant capex that they are investing in the redevelopment of their Adelaide casino which is only likely to produce a small return above their cost of capital. The long-term appeal of the company, due to its monopoly in Auckland, remains but we no longer believe the risk/reward to be favourable.

Atlas Arteria

The stock reached our valuation and we decided to exit.

Contact Energy

We are rotating into other positions with better risk/return profiles.

Digital Telecommunications

The stock reached our valuation target.

Prusik Asian Equity Income Fund Full Year Report 2018 (continued)

Exited Positions (continued)

Hong Kong Telecom

We felt there was a better risk/return in PCCW – the holding company for Hong Kong Telecom.

Shenzhen Airport

We believe that Travelsky is better quality business in the same sector with a cheaper valuation.

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" [1] the Class 2 shares in November 2012. Since then, **both the market cap and total number of stocks in our universe [2] has increased by more 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 metrics but typically**	Cheap MXAPJ PB < 1.5x PAEIF P/E < 11x 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 3 green lights and 3 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.

[1] We consider imposing a 3% charge as "soft closing" the Fund as it reduces inflows to almost (but not quite) zero
[2] Stocks in Asia ex-Japan with market capitalisation > US$1bn with a dividend yield of >3%

Prusik Umbrella UCITS Fund plc

REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS

We have enquired into the conduct of Prusik Umbrella UCITS Fund plc (the "Company") for the year ended 31 December 2018, in our capacity as Depositary to the Company.

This report including the opinion has been prepared for and solely for the Shareholders in the Company as a body, in accordance with Part 5 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, ("the UCITS Regulations"), and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Depositary

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

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

Basis of Depositary Opinion

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Part 5 of the UCITS Regulations and to ensure that, in all material respects, the Company has been managed:

(i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of the constitutional documentation and the appropriate regulations; and

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

Opinion

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

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

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

10 April 2019

Building a better working world

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

Opinion

We have audited the financial statements of Prusik Umbrella UCITS Fund plc ('the Company') for the year ended 31 December 2018, which comprise the Schedule of Investments, Balance Sheet, Profit and Loss Account, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish Law and Accounting Standards including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Irish Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2018 and of its loss for the year then ended;

- have been properly prepared in accordance with Irish Generally Accepted Accounting Practice; and

- have been properly prepared in accordance with the requirements of the Companies Act 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters, in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014

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

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

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

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Gareth Harman
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm

Dublin

17 April 2019

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%)					
	419,072	BHP Group PLC	17,200,793	17,429,204	2.01%
	4,000,000	Transurban Group	32,275,008	32,876,297	3.80%
			49,475,801	50,305,501	5.81%
China (31 December 2017: 10.75%)					
	32,660,000	Beijing Capital International Airport Co. Ltd.	30,451,205	34,652,188	4.00%
	35,000,000	China Xinhua Education Group Ltd.	14,180,782	8,624,597	1.00%
	15,881,000	CNOOC Ltd.	26,466,161	24,534,470	2.83%
	12,999,871	Guangdong Provincial Expressway Development Co. Ltd.	11,597,312	9,908,932	1.14%
	4,816,000	TravelSky Technology Ltd.	11,174,582	12,328,616	1.42%
	50,000,000	Zhejiang Expressway Co. Ltd.	52,187,664	43,346,420	5.00%
			146,057,706	133,395,223	15.39%
Hong Kong (31 December 2017: 22.52%)					
	4,000,000	AIA Group Ltd.	22,621,781	33,196,080	3.83%
	4,000,000	CK Asset Holdings Ltd.	27,807,170	29,263,622	3.38%
	5,250,000	CK Hutchison Holdings Ltd.	62,183,396	50,406,971	5.82%
	3,000,000	CK Infrastructure Holdings Ltd.	24,364,166	22,713,780	2.62%
	35,000,000	First Pacific Co. Ltd.	15,586,747	13,495,483	1.56%
	11,000,000	HKBN Ltd.	12,893,585	16,684,861	1.93%
	60,000,000	PCCW Ltd.	34,335,642	34,549,459	3.99%
	1,000,000	Sun Hung Kai Properties Ltd.	12,933,109	14,248,779	1.65%
	23,500,000	Swire Pacific Ltd.	39,447,733	39,185,419	4.52%
			252,173,329	253,744,454	29.30%
India (31 December 2017: 5.19%)					
	2,374,712	Indiabulls Housing Finance Ltd.	30,200,122	29,014,242	3.35%
	26,790,000	IRB InvIT Fund	36,267,091	26,477,261	3.06%
	16,000,000	Power Grid Corp. of India Ltd.	37,374,860	45,170,809	5.22%
			103,842,073	100,662,312	11.63%
Indonesia (31 December 2017: 2.57%)					
	145,000,000	Cikarang Listrindo Tbk PT	16,626,257	8,974,270	1.04%
	50,000,000	Link Net Tbk PT	16,405,132	17,037,552	1.97%
	546,333,500	Sarana Menara Nusantara Tbk PT	31,385,910	26,214,890	3.03%
			64,417,299	52,226,712	6.04%
Macau (31 December 2017: 0.00%)					
	13,000,000	Wynn Macau Ltd.	28,242,569	28,349,453	3.27%
			28,242,569	28,349,453	3.27%
Philippines (31 December 2017: 0.00%)					
	300,000,000	Metro Pacific Investments Corp.	31,472,680	26,471,427	3.06%
			31,472,680	26,471,427	3.06%

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%)					
	4,000,000	Singapore Exchange Ltd.	22,622,388	20,994,678	2.42%
			22,622,388	20,994,678	2.42%
South Korea (31 December 2017: 13.35%)					
	3,436,951	Macquarie Korea Infrastructure Fund	24,492,198	28,615,590	3.30%
	1,500,000	Samsung Electronics Co. Ltd.	29,527,261	42,682,380	4.93%
			54,019,459	71,297,970	8.23%
Thailand (31 December 2017: 6.97%)					
	1,262,700	Glow Energy PCL	0	3,451,483	0.40%
	84,708,900	Jasmine Broadband Internet Infrastructure Fund	25,672,789	26,016,247	3.00%
			25,672,789	29,467,730	3.40%
United Kingdom (31 December 2017: 0.00%)					
	500,000	Rio Tinto PLC	24,640,908	24,105,000	2.78%
			24,640,908	24,105,000	2.78%
		Total Common Stock	**802,637,001**	**791,020,460**	**91.33%**
Real Estate Investment Trusts (31 December 2017: 4.43%)					
Australia (31 December 2017: 1.61%)					
	11,500,000	Scentre Group	34,642,850	31,641,673	3.66%
			34,642,850	31,641,673	3.66%
Hong Kong (31 December 2017: 0.00%)					
	3,796,000	Fortune Real Estate Investment Trust (Hong Kong)	4,317,346	4,357,118	0.50%
			4,317,346	4,357,118	0.50%
		Total Real Estate Investment Trusts	**38,960,196**	**35,998,791**	**4.16%**
Warrant (31 December 2017: 9.40%)					
Luxembourg (31 December 2017: 0.00%)					
	231,267	Societe Generale SA 15/02/2019	4,388,729	2,825,621	0.33%
			4,388,729	2,825,621	0.33%
		Total Warrants	**4,388,729**	**2,825,621**	**0.33%**
		Total Fair Value of Investments	**845,985,926**	**829,844,872**	**95.82%**

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	22	GBP	(17)	25/01/2019	Brown Brothers Harriman	0	0.00%
GBP	18	USD	(22)	25/01/2019	Brown Brothers Harriman	0	0.00%
GBP	98	USD	(125)	25/01/2019	Brown Brothers Harriman	0	0.00%
GBP	47	USD	(59)	25/01/2019	Brown Brothers Harriman	0	0.00%
GBP	28	USD	(36)	25/01/2019	Brown Brothers Harriman	0	0.00%
GBP	17	USD	(21)	25/01/2019	Brown Brothers Harriman	0	0.00%
GBP	91	USD	(115)	25/01/2019	Brown Brothers Harriman	1	0.00%
GBP	32	USD	(41)	25/01/2019	Brown Brothers Harriman	1	0.00%
GBP	701	USD	(890)	25/01/2019	Brown Brothers Harriman	5	0.00%
SGD	3,034	USD	(2,212)	25/01/2019	Brown Brothers Harriman	17	0.00%
GBP	2,000	USD	(2,530)	02/01/2019	Brown Brothers Harriman	18	0.00%
SGD	8,507	USD	(6,202)	25/01/2019	Brown Brothers Harriman	46	0.00%
GBP	4,238	USD	(5,325)	25/01/2019	Brown Brothers Harriman	81	0.00%
SGD	2,135,249	USD	(1,556,614)	25/01/2019	Brown Brothers Harriman	11,611	0.00%
SGD	5,987,848	USD	(4,365,189)	25/01/2019	Brown Brothers Harriman	32,560	0.00%
GBP	54,628,764	USD	(68,626,019)	25/01/2019	Brown Brothers Harriman	1,056,638	0.12%
GBP	80,324,855	USD	(100,906,090)	25/01/2019	Brown Brothers Harriman	1,553,655	0.18%
	Total unrealised gains on Forward Foreign Currency Contracts					**2,654,633**	**0.30%**
	Total Financial Assets at Fair Value through Profit or Loss					**832,499,505**	**96.12%**
USD	35	GBP	(28)	25/01/2019	Brown Brothers Harriman	0	0.00%
USD	93	GBP	(73)	25/01/2019	Brown Brothers Harriman	0	0.00%
USD	56	GBP	(44)	25/01/2019	Brown Brothers Harriman	0	0.00%
USD	13,444	GBP	(10,541)	25/01/2019	Brown Brothers Harriman	(1)	0.00%
USD	165	GBP	(130)	25/01/2019	Brown Brothers Harriman	(1)	0.00%
USD	130	GBP	(102)	25/01/2019	Brown Brothers Harriman	(1)	0.00%
USD	114	GBP	(91)	25/01/2019	Brown Brothers Harriman	(1)	0.00%
USD	133	GBP	(106)	25/01/2019	Brown Brothers Harriman	(2)	0.00%
USD	302	GBP	(238)	25/01/2019	Brown Brothers Harriman	(2)	0.00%
USD	2,533	GBP	(2,000)	25/01/2019	Brown Brothers Harriman	(18)	0.00%
USD	5,499	GBP	(4,339)	25/01/2019	Brown Brothers Harriman	(35)	0.00%
USD	8,124	GBP	(6,398)	25/01/2019	Brown Brothers Harriman	(36)	0.00%
USD	13,681	GBP	(10,758)	25/01/2019	Brown Brothers Harriman	(41)	0.00%
USD	7,471	GBP	(5,895)	25/01/2019	Brown Brothers Harriman	(48)	0.00%
USD	7,987	GBP	(6,302)	25/01/2019	Brown Brothers Harriman	(51)	0.00%
USD	11,353	GBP	(8,940)	25/01/2019	Brown Brothers Harriman	(51)	0.00%
USD	8,737	GBP	(6,893)	25/01/2019	Brown Brothers Harriman	(56)	0.00%
USD	6,774	GBP	(5,371)	25/01/2019	Brown Brothers Harriman	(77)	0.00%
USD	28,822	GBP	(22,663)	25/01/2019	Brown Brothers Harriman	(86)	0.00%
USD	21,358	GBP	(16,837)	25/01/2019	Brown Brothers Harriman	(119)	0.00%
USD	31,921	GBP	(25,164)	25/01/2019	Brown Brothers Harriman	(178)	0.00%
USD	13,600	GBP	(10,824)	25/01/2019	Brown Brothers Harriman	(207)	0.00%
USD	126,727	GBP	(99,887)	25/01/2019	Brown Brothers Harriman	(685)	0.00%
USD	71,760	GBP	(56,796)	25/01/2019	Brown Brothers Harriman	(687)	0.00%
USD	203,860	GBP	(161,348)	25/01/2019	Brown Brothers Harriman	(1,951)	0.00%
USD	1,228,539	GBP	(977,390)	25/01/2019	Brown Brothers Harriman	(18,188)	0.00%

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

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

Currency Bought	Amount Bought	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) USD	% of Net Assets
USD	1,803,740	GBP	(1,435,003)	25/01/2019	Brown Brothers Harriman	(26,703)	(0.01%)
	Total unrealised losses on Forward Foreign Currency Contracts					**(49,225)**	**(0.01%)**
	Total Financial Liabilities at Fair Value through Profit or Loss					**(49,225)**	**(0.01%)**

	Value USD	% of Net Assets
Cash	32,879,944	3.80%
Other Net Assets	736,633	0.09%
Net Assets Attributable to Holders of Redeemable Participating Shares	**866,066,857**	**100.00%**

BALANCE SHEET - Prusik Asian Equity Income Fund

	Notes	As at 31 December 2018 USD	As at 31 December 2017 USD
Assets			
Financial assets, at cost		845,985,926	718,547,661
Financial assets at fair value through profit or loss			
- Transferable securities		791,020,460	739,424,466
- Warrants		2,825,621	95,668,857
- Collective investment schemes		35,998,791	45,049,820
- Financial derivative instruments		2,654,633	2,177,274
Cash	8	32,879,944	132,410,726
Dividends receivable		2,157,624	3,830,413
Subscriptions receivable		–	1,249,519
Other assets		4,508	195
Total assets		**867,541,581**	**1,019,811,270**
Liabilities			
Financial liabilities at fair value through profit or loss			
- Financial derivative instruments		49,225	3,925
Redemptions payable		410,264	305,408
Investment management fees	2	739,187	804,141
Administration fees	3	76,405	95,631
Depositary fees	4	91,919	91,309
Directors’ fees	5	–	3,454
Audit fees	6	6,317	21,354
Performance fees	2	4,389	871
Research fees	10	48,549	–
Professional fees		44,887	78,077
Other liabilities		3,582	5,392
Total liabilities		**1,474,724**	**1,409,562**
Net Assets Attributable to Holders of Redeemable Participating Shares		**866,066,857**	**1,018,401,708**

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

BALANCE SHEET - Prusik Asian Equity Income Fund (continued)

	Notes	As at 31 December 2018	As at 31 December 2017	As at 31 December 2016
Class 2 X US Dollar Distributing Class				
Net Assets		USD 492,900,481	USD 550,242,294	USD 416,644,335
Outstanding Redeemable Participating Shares	1	2,957,167	2,874,709	2,781,067
Net Asset Value per Share		USD 166.68	USD 191.41	USD 149.81
Class 2 Y Sterling Distributing Class				
Net Assets		GBP 53,203,526	GBP 67,813,783	GBP 53,070,265
Outstanding Redeemable Participating Shares	1	327,439	356,181	350,670
Net Asset Value per Share		GBP 162.48	GBP 190.39	GBP 151.34
Class 2 Z Singapore Distributing Class				
Net Assets		SGD 2,130,399	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 164.85	SGD 191.44	SGD 150.91
Class A US Dollar Non-Distributing Class				
Net Assets		USD 3,866,770	USD 5,801,859	USD 5,183,712
Outstanding Redeemable Participating Shares	1	14,815	20,114	23,861
Net Asset Value per Share		USD 261.02	USD 288.45	USD 217.25
Class B US Dollar Distributing Class				
Net Assets		USD 101,092,738	USD 130,724,236	USD 103,192,731
Outstanding Redeemable Participating Shares	1	541,819	610,136	616,616
Net Asset Value per Share		USD 186.58	USD 214.25	USD 167.35
Class C Sterling Distributing Class				
Net Assets		GBP 78,360,682	GBP 95,937,831	GBP 81,248,045
Outstanding Redeemable Participating Shares	1	432,589	452,026	482,470
Net Asset Value per Share		GBP 181.14	GBP 212.24	GBP 168.40
Class D Singapore Dollar Distributing Class				
Net Assets		SGD 5,974,249	SGD 6,964,936	SGD 5,481,283
Outstanding Redeemable Participating Shares	1	33,622	33,772	33,772
Net Asset Value per Share		SGD 177.69	SGD 206.23	SGD 162.30
Class E Singapore Dollar Distributing Class				
Net Assets		SGD 20,255,114	SGD 20,143,210	SGD 15,866,085
Outstanding Redeemable Participating Shares	1	64,575	59,858	58,487
Net Asset Value per Share		SGD 313.67	SGD 336.52	SGD 271.28
Class U Sterling Unhedged Distributing Class				
Net Assets		GBP 62,603,087	GBP 65,532,540	GBP 53,313,420
Outstanding Redeemable Participating Shares	1	379,825	366,766	347,621
Net Asset Value per Share		GBP 164.82	GBP 178.68	GBP 153.37

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

Richard Hayes	**David Hammond**
Director	**Director**
10 April 2019	

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

PROFIT AND LOSS ACCOUNT - Prusik Asian Equity Income Fund

	Notes	For the year ended 31 December 2018 USD	For the year ended 31 December 2017 USD
Investment income			
Dividend income		41,313,126	34,571,738
Interest income		542,664	539,589
Miscellaneous income		33,751	16,846
Net realised gain on financial assets and liabilities at fair value through profit or loss		40,244,777	108,657,938
Movement in net unrealised (loss)/gain on financial assets and liabilities at fair value through profit or loss		(177,305,316)	133,861,258
Total (loss)/income		**(95,170,998)**	**277,647,369**
Expenses			
Investment management fees	2	9,284,446	9,023,324
Administration fees	3	362,536	442,280
Depositary fees	4	514,173	483,200
Directors' fees	5	35,124	32,716
Audit fees	6	21,145	21,057
Professional fees		92,828	73,220
Performance fees	2	424,367	1,174,166
Research fees	10	582,588	–
Transaction costs		1,564,920	1,232,255
Other expenses		52,036	42,903
Total expenses		**12,934,163**	**12,525,121**
Net (expense)/income before finance costs		**(108,105,161)**	**265,122,248**
Finance costs			
Overdraft interest		–	(7,977)
Distributions paid		(35,867,138)	(30,597,818)
Indian capital gains tax		–	(27,089)
Pakistan capital gain tax		–	(13,639)
Total finance costs		**(35,867,138)**	**(30,646,523)**
Withholding tax on dividends		(3,028,317)	(2,504,197)
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations		**(147,000,616)**	**231,971,528**

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

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

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

	Notes	For the year ended 31 December 2018 USD	For the year ended 31 December 2017 USD
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations		(147,000,616)	231,971,528
Capital Share Transactions of Redeemable Participating Shares			
Proceeds from issuance of Redeemable Participating Shares	1	71,024,044	76,770,249
Payments on redemption of Redeemable Participating Shares	1	(76,778,870)	(62,597,793)
Issuance of Redeemable Participating Shares in exchange for cancellation of performance fee equalization credits	2	420,591	17,593
Net (decrease)/increase from Capital Share Transactions of Redeemable Participating Shares		(5,334,235)	14,190,049
Change in Net Assets Attributable to Holders of Redeemable Participating Shares		(152,334,851)	246,161,577
Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the year		1,018,401,708	772,240,131
Net Assets Attributable to Holders of Redeemable Participating Shares at the end of the year		**866,066,857**	**1,018,401,708**

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Act 2014 and the Central Bank (Supervision and Enforcement) Act 2013 (section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015, as amended (S.I. No. 420 of 2015) (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 31 and 32, respectively.

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

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

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

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

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

(ii) Recognition
All regular purchases and sales of financial instruments are recognised on the trade date, subject to receipt before agreed cut-off time, which is the date that the Company commits to purchase or sell an asset. Regular way purchases or sales are purchases or sales of financial instruments that require delivery of assets within the year 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 year 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.

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 31 December 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Collective Investment Schemes and Real Estate Investment Trusts
Units in real estate investment trusts shall be valued at the latest available net asset value per unit or bid price as published by the relevant real estate investment trusts or, if traded on a Recognised Exchange, in accordance with listed securities above. The real estate investment trusts held by the Company as at 31 December 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 31 December 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 year ended 31 December 2018 were USD 35,867,138 (USD 30,597,818: 31 December 2017).

The following table summarises the dividends distributed by the Fund during the year ended 31 December 2018:

Share Class	Ex-Date	Distribution per Share USD
Class 2 X US Dollar Distributing Class	2 January 2018	2.7556
	2 July 2018	4.1163
Class 2 Y Sterling Distributing Class	2 January 2018	3.6406
	2 July 2018	5.5601
Class 2 Z Singapore Dollar Distributing Class	2 January 2018	2.0534
	2 July 2018	3.0705
Class B US Dollar Distributing Class	2 January 2018	3.0813
	2 July 2018	4.6077
Class C Sterling Distributing Class	2 January 2018	4.0591
	2 July 2018	6.1983
Class D Singapore Dollar Distributing Class	2 January 2018	2.2117
	2 July 2018	3.3084
Class U Sterling (Unhedged) Distributing Class	2 January 2018	3.4822
	2 July 2018	5.1860

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 year ended 31 December 2017:

Share Class	Ex-Date	Distribution per Share USD
Class 2 X US Dollar Distributing Class	3 January 2017	2.5381
	3 July 2017	3.4839
Class 2 Y Sterling Distributing Class	3 January 2017	3.3151
	3 July 2017	4.4474
Class 2 Z Singapore Dollar Distributing Class	3 January 2017	1.8330
	3 July 2017	2.4927
Class B US Dollar Distributing Class	3 January 2017	2.8371
	3 July 2017	3.8973
Class C Sterling Distributing Class	3 January 2017	3.6925
	3 July 2017	4.9554
Class D Singapore Dollar Distributing Class	3 January 2017	1.9730
	3 July 2017	2.6842
Class U Sterling (Unhedged) Distributing Class	3 January 2017	3.2287
	3 July 2017	4.3833

Foreign Exchange Translation

Functional and Presentation Currency
Items included in the Company’s financial statements are measured using the currency in which Shareholder transactions take place (the “functional currency”) which is US Dollars (“USD”). The Company’s reporting currency is also USD.

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

Investment Transactions and Investment Income

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

Interest Income and Interest Expenses

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

Dividend Income

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

Transaction Costs

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenses

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

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 year ended 31 December 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 year	2,874,709	356,181	13,083
Redeemable Participating Shares issued	296,300	23,908	–
Redeemable Participating Shares redeemed	(213,842)	(52,650)	(160)
At the end of the year	2,957,167	327,439	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 year	20,114	610,136	452,026
Redeemable Participating Shares issued	134	9,174	9,782
Redeemable Participating Shares redeemed	(5,433)	(77,491)	(29,219)
At the end of the year	14,815	541,819	432,589

	Class D Singapore Dollar Distributing Class Shares	**Class E Singapore Dollar Distributing Class Shares**	**Class U Sterling Unhedged Distributing Class Shares**
At the beginning of the year	33,772	59,858	366,766
Redeemable Participating Shares issued	–	5,362	25,373
Redeemable Participating Shares redeemed	(150)	(645)	(12,314)
At the end of the year	33,622	64,575	379,825

1. Share Capital (continued)

Redeemable Participating Shares (continued)
The movement in the number of redeemable participating shares for the year ended 31 December 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 year	2,781,067	350,670	15,608
Redeemable Participating Shares issued	330,255	43,133	160
Redeemable Participating Shares redeemed	(236,613)	(37,622)	(2,685)
At the end of the year	2,874,709	356,181	13,083

	Class A US Dollar Non-Distributing Class Shares	Class B US Dollar Distributing Class Shares	Class C Sterling Distributing Class Shares
At the beginning of the year	23,861	616,616	482,470
Redeemable Participating Shares issued	340	8,459	2,835
Redeemable Participating Shares redeemed	(4,087)	(14,939)	(33,279)
At the end of the year	20,114	610,136	452,026

	Class D Singapore Dollar Distributing Class Shares	Class E Singapore Dollar Distributing Class Shares	Class U Sterling Unhedged Distributing Class Shares
At the beginning of the year	33,772	58,487	347,621
Redeemable Participating Shares issued	–	1,371	29,926
Redeemable Participating Shares redeemed	–	–	(10,781)
At the end of the year	33,772	59,858	366,766

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 9,284,446 during the year ended 31 December 2018 (USD 9,023,324: 31 December 2017), of which USD 739,187 is outstanding at the year 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 424,367 was earned during the year ended 31 December 2018 (USD 1,174,166: 31 December 2017), which includes USD 420,591 due to the issuance of redeemable participating shares in exchange for cancellation of performance fee equalisation credits (USD 17,593: 31 December 2017). The performance fee outstanding at the end of the year was USD 4,389 (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 362,536 during the year ended 31 December 2018 (USD 442,280: 31 December 2017) of which USD 76,405 is outstanding at the year 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 banks and other eligible institutions (the "sub-custodians") 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-custodian appointed by it which shall be at normal commercial rates together with VAT, if any, thereon.

The Depositary earned a fee of USD 514,173 during the year ended 31 December 2018 (USD 483,200: 31 December 2017), of which USD 91,919 is outstanding at the year 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 EUR 15,000 each, (plus VAT, if any) per annum. In addition, the Directors are entitled to special remuneration if called upon to perform any special or extra services to the Company. All Directors are entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties. Heather Manners and Tony Morris have waived their entitlement to Directors fees (as disclosed in Note 7).

The Directors in aggregate earned fees of USD 35,124 for the year ended 31 December 2018 (USD 32,716: 31 December 2017), of which USD Nil is outstanding at the year end (USD 3,454: 31 December 2017).

6. Auditors Remuneration

Audit fees charged to the Profit and Loss Account for the year ended 31 December 2018 amounted to USD 21,145 (USD 21,057: 31 December 2017) of which USD 6,317 is outstanding at the year ended 31 December 2018 (USD 21,354: 31 December 2017). This represents remuneration for work carried out for the Company for statutory audit of financial statements. There were no other fees paid to statutory auditor other than the audit fee.

Remuneration for work carried out for the Company by its statutory audit firm for the year ended 31 December 2018 and 31 December 2017 was as follows:

	Year ended 31 December 2018 USD	**Year ended 31 December 2017 USD**
Statutory audit fees	21,145	21,057

7. Related Parties

Directors
Heather Manners, a director of the Company, is Chief Investment Officer of the Investment Manager and has not been paid a director's fee for the years ended 31 December 2018 and 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 and has not been paid a director's fee for the years ended 31 December 2018 and 31 December 2017.

7. Related Parties (continued)

The following Directors and related parties held Shares in the Company as at 31 December 2018:

Related Party	Shares held	Share Class
Mark Dwerryhouse (Spouse) - Prusik Investment Management LLP	779	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	9,000	Class E Singapore Dollar Distributing Class
Thomas Naughton (Partner of the Investment Manager)	52,169	Class E Singapore Dollar Distributing Class
Richard Atkinson (Consultant for the Investment Manager)	525	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	462	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

8. Cash

Cash balances were held with the following institutions:

	31 December 2018 USD	31 December 2017 USD
BNP Paribas	1,858,359	–
Brown Brothers Harriman & Co.	21,745*	86,475*
Citibank	30,999,840	101,851,176
HSBC Bank Plc	–	1,318,929
Wells Fargo, N.A., Grand Cayman	–	29,154,146
	32,879,944*	132,410,726*

*The figure has been adjusted to account for balances in the name of the Company.

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

According to the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for the Fund Service Providers, the Company's cash presented on the Balance Sheet may be adjusted to account for balances on segregated collection accounts held in the name of the Company. As at 31 December 2018 the amount of the Company account included in Cash and Other liabilities was USD 2,437 (USD 103: 31 December 2017).

9. Taxation

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

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

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

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

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

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

10. Soft Commission Agreements/Payment for Research

During the year ended 31 December 2017, the Investment Manager entered into arrangements with brokers/dealers in respect of which certain research services used to support the investment decision process were received and paid for with part of the commissions paid by the Company on its investment transactions.

During the year ended 31 December 2018, the Investment Manager did 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 amount charged to the Fund was USD 582,588, of which USD 48,549 is outstanding at the year end.

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

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

11. Efficient Portfolio Management

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

12. Exchange Rates

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

	31 December 2018	**31 December 2017**
Australian Dollar	1.4174	1.2790
British Pound Sterling	0.7849	0.7409
Euro	0.8734	–
Hong Kong Dollar	7.8323	7.8168
Indian Rupee	69.8150	63.8275
Indonesian Rupiah	14,380.0000	13,567.5000
Malaysian Ringgit	–	4.0470
New Zealand Dollar	1.4902	1.4047
Pakistan Rupee	–	110.3500
Philippine Peso	52.5850	–
Singapore Dollar	1.3623	1.3358
South Korean Won	1,115.8000	1,070.5500
Thailand Baht	32,5600	32.5900

13. Financial Risk Management

In pursuing its investment objective, the Company is exposed to a variety of financial risks as defined in FRS 102 including: market risk (including market price risk, currency risk and interest rate risk), credit risk and liquidity risk, that could result in a reduction in the Company's NAV. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Prospectus provides further details on the treatment of risk factors affecting the Company.

The Company uses the "commitment approach" to calculate the derivatives exposure of the Company, if any, in accordance with the requirements of the Central Bank.

The commitment approach is based on calculating derivatives exposure by adding together the current values of the underlying assets on which the derivatives are based (delta-adjusted in the case of options and warrants), the total of which should not exceed 100% of the Company's NAV.

The Directors' approach to the management of the above risks are as follows:

a) Market Risk

This risk comprises of three main types of risk: market price risk, currency risk and interest risk.

(i) Market Price Risk

Market price risk is defined in FRS 102 as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

The following sensitivity analysis assumes a change in the market price of investments while holding all other variables constant. In practice this is unlikely to occur, and changes in some of the variables may be correlated. In addition, as the sensitivity analysis uses historical data as a basis for determining future events, it does not encompass all possible scenarios, particularly those that are of an extreme nature. The Investment Manager deems the percentage used applicable for the Company analysis.

A 5% increase or decrease in the market price of investments at 31 December 2018, with all other variables held constant, would have increased or decreased the Net Assets Attributable to Holders of Redeemable Participating Shares of the Company by approximately 5% or USD 41,622,514 (USD 44,115,825: 31 December 2017).

The Company's concentration of equity price risk by geographical distribution can be seen in the Schedule of Investments on pages 25 to 28.

13. Financial Risk Management (continued)

a) Market Risk (continued)

(ii) Currency Risk

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

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

In accordance with the Company's policy, the Investment Manager monitors the Company's currency position on a daily basis and the Board of Directors rely upon the Investment Manager to keep it informed of any material event.

The table below sets out the Company's total exposure to foreign currency at the year ended 31 December 2018, including sensitivity analysis.

	Cash	Non-Cash	Total USD	Effect on Net Assets of 5% Change in Foreign Exchange Rate (stated in USD)
Australian Dollar	15	65,090,836	65,090,851	3,254,543
British Pound Sterling	10	168,408,495	168,408,505	8,420,425
Hong Kong Dollar	763	420,282,041	420,282,804	21,014,140
Indian Rupee	–	100,662,312	100,662,312	5,033,116
Indonesian Rupiah	–	52,226,712	52,226,712	2,611,336
Philippine Peso	–	26,471,427	26,471,427	1,323,571
Singapore Dollar	85	26,969,128	26,969,213	1,348,461
South Korean Won	–	72,418,777	72,418,777	3,620,939
Thailand Baht	–	29,467,730	29,467,730	1,473,387

The table below sets out the Company's total exposure to foreign currency at the year ended 31 December 2017, including sensitivity analysis.

	Cash	Non-Cash	Total USD	Effect on Net Assets of 5% Change in Foreign Exchange Rate (stated in USD)
Australian Dollar	1,197	44,627,757	44,628,954	2,231,448
British Pound Sterling	1,219	214,944,976	214,946,195	10,747,310
Hong Kong Dollar	1,319,030	351,877,823	353,196,853	17,659,843
Indian Rupee	–	52,878,420	52,878,420	2,643,921
Pakistan Rupee	–	2,625,356	2,625,356	131,268
Indonesian Rupiah	–	26,177,763	26,177,763	1,308,888
Malaysian Ringgit	203	–	203	10
New Zealand Dollar	688	64,594,241	64,594,929	3,229,746
Singapore Dollar	56	20,984,112	20,984,168	1,049,208
South Korean Won	–	136,004,290	136,004,290	6,800,215
Thailand Baht	581	91,736,624	91,737,205	4,586,860

13. Financial Risk Management (continued)

a) Market Risk (continued)

(iii) Interest Rate Risk

Interest rate risk is defined in FRS 102 as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in relevant interest rates.

The value of investments in interest rate bearing securities may be subject to price volatility due to changes in interest rates. An increase in interest rates will generally reduce the value of debt securities that are issued and outstanding, while a decline in interest rates will generally increase the value of debt securities that are issued and outstanding.

The majority of the assets and liabilities of the Fund are invested in non-interest bearing securities. As a result, the Fund is not subject to significant amounts of risk due to fluctuation in the prevailing levels of market interest rates.

b) Credit Risk

Credit risk is the risk that a counterparty or an issuer will be unable to pay amounts in full when due. There can be no assurance that the issuers of securities or other instruments in which the Company may invest will not be subject to credit difficulties, leading to either the downgrading of such securities or instruments, or to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or investments. The Company may also be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in financial derivative instruments and may bear the risk of counterparty default.

The maximum exposure to credit risk of cash balances held at 31 December 2018 and 31 December 2017 are detailed on the Balance Sheet.

When the Company invests in a security or other instruments which is guaranteed by a bank or another type of financial institution there can be no assurance that such guarantor will not itself be subject to credit difficulties, which may lead to the downgrading of such securities or instruments, or to the loss of some or all of the sums invested in such securities or instruments, or payments due on such securities or instruments.

All transactions in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Company’s assets are held on a fiduciary basis by the Depositary. These assets are held in segregated accounts on the books and records of the Depositary. Depending on the requirement of the jurisdictions in which the investments of the Fund are listed, the Depositary may use the service of one or more sub-custodians.

The credit ratings are outlined below for the following institutions:

	Moody’s 31 December 2018	Moody’s 31 December 2017
BNP Paribas	Aa3	Aa3
Brown Brothers Harriman & Co.	F1*	F1*
Citibank	A1	A1
HSBC Bank Plc	–	Aa3
Wells Fargo, N.A., Grand Cayman	–	A2

*Fitch rating.

13. Financial Risk Management (continued)

b) Credit Risk (continued)

For cash accounts, funds deposited are liabilities of the banks, creating a debtor-creditor relationship between the bank and the Company. Cash accounts opened on the books of Brown Brothers Harriman & Co. are obligations of Brown Brothers Harriman & Co. while cash accounts opened by Brown Brothers Harriman & Co. with other banks as agent of the Company are obligations of the banks concerned.

Accordingly, while Brown Brothers Harriman & Co. is responsible for exercising reasonable care in the administration of agency cash accounts, it is not liable for their repayment in the event the bank with which the cash is held, by reason of its bankruptcy, insolvency or otherwise, fails to make repayment.

The Company invests in equity securities and has limited or no exposure to credit risk on its investments. However the Company has exposure to credit risk on any cash balances and forward foreign exchange positions held for share class currency hedging purposes. The notional amount as at 31 December 2018 was USD 181,743,103 (USD 223,830,874: 31 December 2017).

c) Liquidity Risk

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

The Company is exposed to daily cash redemptions of Redeemable Participating Shares. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of. The Company's listed securities are considered readily realisable as they are listed on a stock exchange or dealt in on another regulated market. Some of the Recognised Exchanges in which the Company may invest may be less well regulated than those in developed markets and may prove to be illiquid, insufficiently liquid or highly volatile from time to time. This may affect the price at which the Company may liquidate positions to meet redemption requests or other funding requirements.

The tables below and overleaf analyse the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the tables below and overleaf are the contractual undiscounted cash flows. Detailed analyses of the Company's assets are not shown as they are considered liquid based on the fact that they could be converted to cash in less than one month at close to their carrying value.

31 December 2018

	Less than or equal to 1 month USD	**More than 1 month USD**	**Total USD**
Redemptions payable	410,264	–	410,264
Other Payables	–	1,015,235	1,015,235
Redeemable Participating Shares	866,066,857	–	866,066,857
Total	866,477,121	1,015,235	867,492,356
Forward foreign currency exchange contracts			
Payables	3,666,183	–	3,666,183
Receivables	(3,616,958)	–	(3,616,958)
Net	49,225	–	49,225
Total	866,526,346	1,015,235	867,541,581

13. Financial Risk Management (continued)

c) Liquidity Risk (continued)

31 December 2017

	Less than or equal to 1 month USD	More than 1 month USD	Total USD
Redemptions payable	305,408	–	305,408
Other Payables	–	1,100,229	1,100,229
Redeemable Participating Shares	1,018,401,708	–	1,018,401,708
Total	1,018,707,116	1,100,229	1,019,807,345
Forward foreign currency exchange contracts			
Payables	880,378	–	880,378
Receivables	(884,303)	–	(884,303)
Net	(3,925)	–	(3,925)
Total	1,018,703,191	1,100,229	1,019,803,420

d) Fair Value Estimation

FRS 102 Section 11.27 on “Fair Value: Disclosure” requires disclosure relating to the fair value hierarchy in which fair value measurements are categorised for assets and liabilities. The disclosures are based on a three level fair value hierarchy for the inputs used in valuation techniques to measure fair value. In March 2016 amendments were made to paragraphs 34.22 and 34.42 of this FRS, revising the disclosure requirements for financial institutions and retirement benefit plans. 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 and forward foreign currency contracts. 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.

13. Financial Risk Management (continued)

d) Fair Value Estimation (continued)

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

The fair values of warrants are calculated by reference to quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs.

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

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

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

As at 31 December 2018

Financial Assets at Fair Value Through Profit or Loss	**Level 1 USD**	**Level 2 USD**	**Level 3 USD**	**Total USD**
Common Stock	791,020,460	–	–	791,020,460
Real Estate Investment Trusts	35,998,791	–	–	35,998,791
Warrants	–	2,825,621	–	2,825,621
Forward Foreign Currency Contracts	–	2,654,633	–	2,654,633
Total Financial Assets at Fair Value Through Profit or Loss	827,019,251	5,480,254	–	832,499,505
Financial Liabilities at Fair Value Through Profit or Loss				
Forward foreign currency contracts	–	(49,225)	–	(49,225)
Total Financial Liabilities at Fair Value Through Profit or Loss	–	(49,225)	–	(49,225)

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)

There were no transfers between levels for the investments held at 31 December 2018 and 31 December 2017.

The Fund held no Level 3 investments as at the year ended 31 December 2018 (Nil: 31 December 2017).

13. Financial Risk Management (continued)

e) Capital Management

As a result of the ability to issue, repurchase and resell shares, the capital of the Company can vary depending on the demand for redemptions and subscriptions to the Company. The Company is not subject to externally imposed capital requirements and has no restrictions on the issue, repurchase or resale of redeemable shares.

f) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or revalue the assets and settle the liability simultaneously. As of 31 December 2018 and 31 December 2017 there were no Financial assets and liabilities that were offset in the Statement of Financial Position.

14. Portfolio Analysis

As at 31 December 2018	**Market Value USD**	**% of Total Assets**
Transferable securities admitted to an official exchange listing or dealt on another regulated market	827,019,251	95.33
Other securities	2,825,621	0.33
Financial derivative instruments (Forward Foreign Currency Contracts)	2,605,408	0.30
Net financial assets at fair value through profit or loss	832,450,280	95.96

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

15. Comparatives

The comparative figures are for the year ended 31 December 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.

16. Significant Events during the Year

The Company's Prospectus has been updated on 29 May 2018 to take account of the implementation of the recent revisions to the Markets in Financial Instruments Directive ("MiFID II") and the General Data Protection Regulation. There were no other significant updates in the Prospectus.

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

17. Events since the Year End

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

18. Approval of Financial Statements

The report and audited financial statements were approved by the Directors on 10 April 2019.

STATEMENT OF SIGNIFICANT CHANGES IN THE COMPOSITION OF PORTFOLIO

In accordance with the Central Bank UCITS Regulations a statement of changes in the composition of the portfolio during the reporting period is provided to ensure that Shareholders can identify changes in the investments held by the Company. These statements present the aggregate purchases and sales of transferable securities exceeding 1% of the total value of purchases and sales for the period. At a minimum the largest 20 purchases and 20 sales must be given.

Major Purchases for the year ended 31 December 2018

Security Description	Acquisitions Nominal	Cost USD
Swire Pacific Ltd.	23,500,000	39,382,939
IRB InvIT Fund	26,790,000	36,200,988
Metro Pacific Investments Corp.	300,000,000	31,438,098
Wynn Macau Ltd.	13,795,600	30,017,484
Singapore Exchange Ltd.	5,052,700	28,677,744
BHP Group PLC	679,500	27,983,084
CK Asset Holdings Ltd.	4,000,000	27,762,584
CNOOC Ltd.	15,881,000	26,425,270
Rio Tinto PLC	500,000	24,626,570
Scentre Group	7,821,206	23,194,260
Indiabulls Housing Finance Ltd.	1,480,979	21,443,631
Jasmine Broadband Internet Infrastructure Fund	61,078,800	19,892,090
Sarana Menara Nusantara Tbk PT	67,600,000	18,678,205
Transurban Group	2,135,893	17,903,252
Brambles Ltd.	2,500,000	17,079,820
Link Net Tbk PT	50,000,000	16,332,327
First Pacific Co. Ltd.	35,000,000	15,563,759
China Xinhua Education Group Ltd.	35,000,000	14,052,802
Power Grid Corp. of India Ltd.	4,470,043	13,815,307
Sun Hung Kai Properties Ltd.	1,000,000	12,910,167
PCCW Ltd.	22,538,000	12,672,365
Travelsky Technology Ltd.	4,816,000	11,154,759
Macquarie Atlas Roads Group	2,570,902	10,921,312
Swire Pacific Ltd. - Class A	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
Glow Energy PCL - NVDR	2,620,300	6,695,934

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

Major Sales for the year ended 31 December 2018

Security Description	Disposals Nominal	Proceeds USD
AIA Group Ltd.	3,500,000	30,605,925
Glow Energy PCL - Foreign	10,852,600	29,079,090
HKT Trust & HKT Ltd.	20,000,000	27,343,788
Fonterra Co.-operative Group Ltd.	7,500,000	25,990,169
Contact Energy Ltd.	6,000,000	22,527,306
Digital Telecommunications Infrastructure Fund	50,071,000	22,474,007
CPN Retail Growth Leasehold	30,433,900	21,819,293
Brambles Ltd.	2,500,000	19,834,803
KT&G Corp.	200,000	18,786,985
Kangwon Land, Inc.	651,563	16,643,427
SKYCITY Entertainment Group Ltd.	6,000,000	16,128,358
Atlas Arteria	3,000,000	15,218,750
HKBN Ltd.	9,000,000	14,317,897
Jasmine Broadband Internet Infrastructure Fund	42,891,100	13,257,473
Asian Pay Television Trust	31,588,300	13,194,719
Transurban Group	1,540,351	12,848,814
BHP Group Plc.	260,428	11,090,649
Macquarie Korea Infrastructure Fund	1,274,174	10,313,222
Swire Pacific Ltd.	1,003,000	10,143,125
Beijing Capital International Airport Co. Ltd.	7,340,000	8,241,941
Fortune Real Estate Investment Trust (Hong Kong)	6,424,000	8,060,386
NagaCorp Ltd.	6,614,000	6,578,163
Singapore Exchange Ltd.	1,052,700	5,536,620
PCCW Ltd.	7,538,000	4,290,623
Scentre Group	1,321,206	4,266,105

MANAGEMENT AND ADMINISTRATION

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

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

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

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

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

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

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

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

GOVERNANCE SERVICE PROVIDERS
Bridge Consulting
Ferry House
48/53 Mount Street Lower
Dublin 2
D02PT98

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

Appendix 1 – Report on Remuneration (Unaudited)

The Company has established a remuneration policy in accordance with the requirements of the UCITS Regulations which transpose Directive 2009/65/EC, as amended into Irish law (the "UCITS Directive") to the extent that is appropriate to its size, internal organisation and the nature, scope and complexity of its activities.

This remuneration policy has been adopted by the Directors who review the policy annually.

It is the Company's policy to maintain remuneration arrangements that (i) are consistent with and promote sound and effective risk management, (ii) do not encourage risk-taking that is inconsistent with the risk profile of the Company, (iii) do not impair compliance with the Company's duty to act in the best interests of its shareholders and (iv) are consistent with the principles outlined in the remuneration policy. The Company's remuneration policy is designed to ensure that any relevant conflicts of interest can be managed appropriately at all times.

Persons subject to the Policy

The Company shall apply the provisions of this policy for its 'Identified Staff' being "those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers, whose professional activities have a material impact on the risk profiles of the management companies or of the UCITS that they manage".

The Company has determined that the following persons would fall within the definition of "Identified Staff":
- Members of the Board of Directors; and
- Designated Persons responsible for the monitoring of each management function of the Company.

Remuneration of Identified Staff

The independent members of the Board of Directors of the Fund receive an annual maximum fixed fee as set out in the Prospectus and do not receive performance-based remuneration therefore avoiding a potential conflict of interest. The fee of a Board member is set at a level that is on par with the rest of the market and reflects the qualifications and contribution required in view of the Company's complexity, the extent of the responsibilities and the number of board meetings. No pension contributions are payable on Board members' fees.

Fees regarding the carrying out of the Designated Person roles are paid by the Company to Bridge Consulting Limited for the amount totalling €20,000. As is the case for Directors, this fee is an annual fixed fee and does not include a variable performance based component therefore avoiding a potential conflict of interest. Directors' fees are disclosed in Note 5.

Investment Manager

The aggregate quantitative remuneration paid to its staff by the Investment Manager for the year ended 31 December 2018 was £851,000 apportioned as to £397,000 and £454,000 as to fixed and variable remuneration respectively.

The tables below present aggregated information on the remuneration of all staff employed on 31 December 2018, and performing activities for the Company during the year 2018, including all identified staff selected on the basis of the above policy.

The following quantities data relates to the Investment Manager for the year ended 31 December 2018:

Number of employees	5
Fixed remuneration of Investment Manager	£397,000
Variable remuneration	£454,000
Aggregate of Fixed and Variable remuneration	€50,000 and £851,000