

PRUSIK ASIA EMERGING OPPORTUNITIES FUND PLC

(formerly PRUSIK ASIAN SMALLER COMPANIES FUND PLC)

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

**Annual Report and Audited Financial Statements
For the Financial Year Ended 31 December 2019**

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GENERAL INFORMATION

Prusik Asia Emerging Opportunities Fund plc (formerly Prusik Asian Smaller Companies Fund plc) (the “Company”) is a public limited liability investment company with variable capital, incorporated on 11 January 2008 in Ireland pursuant to Part 24 of the Companies Act 2014 and authorized by the Central Bank of Ireland (the “Central Bank”) under the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (S.I. No. 230 of 2019) (the “Central Bank UCITS Regulations”).

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

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

The Company commenced trading on 8 February 2008. There are six share classes available to investors in the Company:

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

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

The most recent Prospectus of the Company is dated 1 August 2019.

Investment Objective

The investment objective of the Company (which has been amended as of 1 August 2019) is to engineer capital growth primarily by investing in companies operating in the Asian and Australasian region.

In pursuit of its investment objective the Company invests in emerging companies operating in Asia including Australia, New Zealand, Hong Kong, Taiwan, South Korea, China, India, Sri Lanka, Pakistan, Thailand, Indonesia, Malaysia, Singapore, Vietnam, Bangladesh and the Philippines and generally seeks to invest, on average, in companies which are operating in high growth economies and/or industries and/or launching new products or services, combined with a clearly identifiable and sustainable competitive advantage. The Company pursues its investment objective primarily by taking long positions in publicly traded common stocks and other equity securities of Asian issuers and Australasian issuers. In addition, the Company’s investments are likely to include situations where an event has triggered a change in the market’s perception of the future outlook for a specific company or industry. The Policy will also enable the Company to invest in equity securities of issuers in Recognised Markets outside of Asia and Australasia and in debt and other fixed-income securities of Asian and Australasian and other issuers in Recognised Markets.

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

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

GENERAL INFORMATION (CONTINUED)

Investment Objective (continued)

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

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

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

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

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

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

DIRECTORS' REPORT

The Directors have pleasure in submitting their annual report together with the audited financial statements for Prusik Asia Emerging Opportunities Fund plc (formerly Prusik Asian Smaller Companies Fund plc) (the “Company” or the “Fund”) for the financial year ended 31 December 2019.

Directors' Responsibility Statement

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.

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.

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 2019 (S.I. No. 230 of 2019) (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.

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.

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

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' REPORT (CONTINUED)

Directors

The names of the persons who were Directors at any time during the year to 31 December 2019 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 2019:

Heather Manners	5,280 Class E Singapore Dollar (Hedged) Distributing Class
Richard Hayes	2,753 Class E Singapore Dollar (Hedged) Distributing Class
Tony Morris	2,750 Class E Singapore Dollar (Hedged) 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 2019 or during the year then ended.

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 state of affairs of the Company and results for the year ended 31 December 2019 are set out on pages 15 to 17. The Net Assets Attributable to Holders of Redeemable Participating Shares as at 31 December 2019 were US Dollar ("USD") 33,548,044 (USD 33,776,736: 31 December 2018).

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 Company in respect of each class of Shares of the Company. The Company has been granted reporting fund status by Her Majesty's Revenue and Customs ("HMRC"). Distributions paid during the year ended 31 December 2019 amounted to USD 114,747 (USD 234,769: 31 December 2018).

DIRECTORS' REPORT (CONTINUED)

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 which are different from those listed in the Prospectus, and how they are monitored, and where possible, managed by the Company, are set out in Note 13 "Financial Risk Management" on pages 30 to 36.

Brexit

The possible effects of Brexit on the Company and the Investment Manager are subject to ongoing and continual consideration and reaction. Advice from the Company's UK and Irish lawyers on any legal or regulatory implications for the Company and its contractual relationship with the Investment Manager are being monitored to ensure all issues are covered, while taking account of the Memorandum of Understanding entered into between the UK and Irish regulators. 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 Investment Manager, which acts as distributor of the Company's Shares. 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 Company's investment activities to any significant degree.

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

Following the approval of the Shareholders at an Extraordinary General Meeting held on 19 July, 2019, and with effect from 1 August 2019, the Company has amended its investment objective and changed its name from Prusik Asian Smaller Companies Fund plc to Prusik Asia Emerging Opportunities Fund plc. In addition, no further performance fees have been charged, and management fees have been reduced to a maximum fee of 1.2% per annum of the NAV of the Company.

From 1 August 2019, the Company has been open for subscriptions and redemptions on every business day.

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

Events since the Year End


Subsequent to year end, global financial markets have experienced significant volatility resulting from the spread of a novel coronavirus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The effects of COVID-19 may continue to adversely affect the global economy, the economies of certain nations and individual issuers, all of which may negatively impact the Company's performance.

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

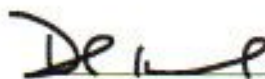
Corporate Governance Statement

The Company is subject to and complies with Irish statute comprising the Companies Act as applicable to investment funds and the Central Bank UCITS Regulations. The Board of Directors has voluntarily adopted the Corporate Governance Code for Irish Domiciled Collective Investment Schemes as published by Irish Funds (the "IF Code"). 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.

On behalf of the Board of Directors



Richard Hayes
Director
22 April 2020



David Hammond
Director

INVESTMENT MANAGER'S REPORT

Prusik Asia Emerging Opportunities Fund plc Full Year Report 2019

In the second half of 2019, the Prusik Asia Emerging Opportunities Fund, formerly the Prusik Asian Smaller Companies Fund, returned 1.8%. While the Fund's overlap with the main Asia ex-Japan Index by country is only 14%, making it challenging to find a relevant benchmark, for reference this return was 4.5% less than the main Asia ex-Japan Index and 0.6% behind the Asia ex-Japan small cap index. This second half return takes the Fund's rise for the full year to 12.3%. Again, while the Fund is not assessed on a relative basis, we do think looking at performance in this context is helpful. As such, we would note that the Fund's 2019 return represents a meaningful lag to the main Asia ex-Japan Index which rose 19.5% in 2019, but bettered the small cap equivalent by 1.4%. The key factor for the underperformance was the strength in North Asia in December, where the Fund does not invest owing to its focus on Asia's demographic growth markets. In December, MSCI China, Korea and Taiwan all increased by 8-9% on signs that negotiations between the US and China were improving, whilst MSCI India Small Cap was flat and MSCI Vietnam fell by 2.4%. With the Fund having c.60% in India and Vietnam, even with some outperformance of the local Index, it is unsurprising that December was a challenging month for the Fund. Up to the end of the November, the Fund was short of the main Index by 1.4% and ahead of the small cap Index by 4.9%. The relative weakness in December saw these numbers deteriorate meaningfully.

While it was clearly a disappointment to end the year on this note, we are nevertheless buoyed by the fact that a 12.3% appreciation is at the upper end of the 10-12% annual return which we believe the Fund is capable of over the long term. As we mentioned in our 1H19 report, we believe such a target is reasonable based on the following. Firstly, the underlying GDP growth of the demographic growth markets in Asia where the Fund is invested is close to 7.0%. Secondly, our active stock picking leads us to companies with average earnings growth several percentage points above average GDP growth rates. Finally, factoring in the Fund's c.2.0% dividend yield, we believe that, combined, this should yield an annual return for the Fund of 10-12% over a 5-year cycle.

In terms of performance by geography, in the second half of 2019 we saw positive absolute and relative returns in Singapore, the Philippines, Vietnam and Sri Lanka. Combined, these countries accounted for 49.3% of the Fund. Returns were particularly strong in Singapore (+19.2%) and Vietnam (+17.6%). As a reminder, our exposure in Singapore is limited to one stock, **Sea Ltd**, which is our ASEAN focused E-commerce and mobile gaming company.

Elsewhere, our India portfolio performed in line with the India small cap index in the second half of the year, which we believe should have been better. The lack of outperformance here was chiefly on account of two stocks, organised food retailer, **Future Retail**, and Indian non-bank financial company, **Edelweiss**. **Future Retail** corrected on concerns regarding the higher percentage of shares which the company's promoter has pledged. However, at the time of writing, this percentage has come down considerably. We also think the market is failing to place any value on the company's tie up with Amazon and Seven Eleven, both of which should start to impact earnings positively in 2020. As such, we have recently added to this position. In the case of **Edelweiss**, this stock continued to be weak in the second half of the year as liquidity tightness in India worsened in late summer. While the business is on sounder footing post the successful resolution of the Essar Steel bankruptcy proceedings, which **Edelweiss's** distressed credit business benefitted from significantly, we continue to monitor the developments here closely.

Our Pakistan exposures saw robust returns in the second half, rising by 7.0%. While this was inferior to MSCI Pakistan, we would note that the Index comprises just 3 stocks. Importantly, after many months of weakness, we finally witnessed what appears to be a bottom in the Pakistan market in mid-August 2019. With the IMF deal secured and initial payments made, the country saw a significant improvement in its FX reserves and current account position. This, plus distressed valuations, led to c.45% rally in the local Index from the bottom to the year end. While our stocks did not quite match these returns, as earnings remain challenged for them currently, we nevertheless witnessed a strong improvement in our Pakistan portfolio in the second half of the year.

Finally, Indonesia was the most impactful sub-portfolio in the year as this is where we saw both negative absolute returns as well as marked underperformance. Firstly, two of our holdings saw issues in terms of the investment case which we believed would play out. In the case of mortgage lender, **Bank Tabungan**, government policy turned unsupportive in the second half of the year in addition to asset quality deteriorating more than we expected. For **Surya Citra Media**, our leading TV broadcaster, the stock saw a significant de-rating as the digital strategy which management launched caused concern with regard to how much capital would be required for an otherwise very cash generative business. Owing to the fact that fundamental changes in our original investment case is a key signal for us to sell, we took the decision to exit both stocks, unfortunately, at a loss. Secondly, one of our longstanding and high

INVESTMENT MANAGER'S REPORT (CONTINUED)

Prusik Asia Emerging Opportunities Fund plc Full Year Report 2019 (continued)

conviction holdings, **Ace Hardware**, the DIY and lifestyle retailer, after very strong performance all year went on to see a sharp correction at the year-end on account of a single month of disappointing sales growth. We believed this was overdone and, indeed, the share price has been rallying in 2020 at the time of writing. Finally, while we remain positive on our Indonesian property exposures, our expected returns here were not delivered in 2019. However, more constructively, we start 2020, after a couple of changes, with a portfolio which exhibits a diverse range of high-quality businesses with deep competitive moats and, in turn, the opportunity to grow earnings faster than the market on a sustainable basis.

By theme, the clear winners in the second half of the year were our Emerging Technology theme and our Modern Retail theme. Our Emerging Technology theme saw a stellar 20% return in 2H19 with 5 out of 6 stocks both posting positive returns and outperforming the Asia ex-Japan Index. Aforementioned **Sea Ltd** and Vietnamese software outsourcing leader, **FPT**, dominated returns in particular. Our Modern Retail theme saw a robust return of 6.0%, which was roughly in-line with the Asia ex-Japan Index. Vietnamese consumer electronics and grocery retailer, **Mobile World**, led the way. Overall, returns in the Modern Retail theme would have been better still were it not for the drag from **Future Retail**, which we touched on above. Our Financialisation theme was the poorest performer, owing largely to Indian non-bank financial, **Edelweiss**, and Indonesian mortgage lender, **Bank Tabungan**. Conversely, our investment in the market leader in consumer finance in India, **Bajaj Finance**, continued to perform well.

For 2019, overall, the trends which we witnessed in the second half of the year were similar for the year as a whole. For instance, in 2019 the Fund outperformed all local indices in Vietnam, Singapore, Malaysia, Sri Lanka and the Philippines but underperformed in Indonesia and Pakistan. Similarly, on an annual basis, the leading themes for 2019 were Emerging Technology and Modern Retail. Quite staggeringly, our Emerging Technology theme saw an 88.6% return for the year. Modern Retail also stood out for its 18.5% annual return. In total, we had nearly 50.0% invested in these 2 themes in 2019. Elsewhere, Leisure & Tourism saw mid-teen returns and Local Brands posted positive returns. The more disappointing areas were Infrastructure, which was flat, and Financialisation, which saw negative returns, although the latter had just a 9.0% weighting in 2019.

We made a number of changes to the portfolio throughout the year. A key catalyst for some of these changes was the amendment to the Fund's mandate from 1st August which made it possible to invest in companies with a market capitalisation over US\$10 billion - with a ceiling of 25% of NAV. At the time of writing, we have 23.0% of the Fund invested in large capitalisation companies. These exposures can primarily be found in our Indian portfolio with an additional single stock in Indonesia and another in Singapore. We also worked to consolidate the Fund's holdings and focus on our higher conviction names which led us to exit a small number of sub-optimally sized positions. Finally, we exited a limited number of stocks on account of the investment case not playing out as we had anticipated, including **Ho Chi Minh Securities**, **Finolex Industries**, **IRB Invit** as well as the previously discussed stocks in Indonesia.

Looking forward to 2020, we believe there is much to be positive about. Monetary, fiscal and government policy now stand out as being particularly supportive in India and Indonesia and even, to some extent, Pakistan. In Vietnam, as well as GDP growth continuing to increase strongly, we may continue to see investor interest in the smaller companies of this market persist, an important shift which occurred for the first time in many years in 2019. Moreover, with valuations of smaller companies in India looking far more palatable, this could very easily be an area which returns to favour in 2020. Finally, we are confident that ESG will play a greater role in markets, stock picking and performance in 2020 and, as such, we intend to place far greater emphasis on ESG issues in the coming year in terms of portfolio construction and stock selection.

Coronavirus

As we have seen the current outbreak of Covid-19 has had significant impact on stock markets around the world and we are assessing the likely impact on economies and certain sectors, which could be significant. However, it doesn't change our investment strategy as we always seek out non-cyclical businesses with strong cash flows and robust balance sheets. Our investment strategy is to seek the best quality companies and to have the strongest portfolio for all market scenarios.

Note: The investment objective and policy of the Fund has changed since 1 August 2019. For further details, please see pages 2 and 3.

REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS

We have enquired into the conduct of Prusik Asia Emerging Opportunities Fund plc (formerly Prusik Asian Smaller Companies Fund plc) (the “Company”) for the year ended 31 December 2019, 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 2019 (“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

22 April 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRUSIK ASIA EMERGING OPPORTUNITIES FUND PLC (FORMERLY PRUSIK ASIAN SMALLER COMPANIES FUND PLC)

Opinion

We have audited the financial statements of Prusik Asia Emerging Opportunities Fund plc (formerly Prusik Asian Smaller Companies Fund plc) ('the Company') for the year ended 31 December 2019, 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 2019 and of its profit 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRUSIK ASIA EMERGING OPPORTUNITIES FUND PLC (FORMERLY PRUSIK ASIAN SMALLER COMPANIES FUND PLC)
(Continued)

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRUSIK ASIA EMERGING OPPORTUNITIES FUND PLC (FORMERLY PRUSIK ASIAN SMALLER COMPANIES FUND PLC)
(Continued)

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

28 April 2020

SCHEDULE OF INVESTMENTS

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock (31 December 2018: 96.26%)					
India (31 December 2018: 31.73%)					
	247,700	Aditya Birla Fashion & Retail Ltd.	677,510	802,723	2.39%
	9,000	Affle India Ltd.	153,852	198,816	0.59%
	15,900	Bajaj Finance Ltd.	680,044	941,620	2.81%
	207,000	Crompton Greaves Consumer Electricals Ltd.	675,245	693,458	2.07%
	357,400	Edelweiss Financial Services Ltd.	1,497,065	547,553	1.63%
	131,000	Future Retail Ltd.	1,030,558	629,270	1.88%
	125,000	ICICI Prudential Life Insurance Co. Ltd.	836,915	844,605	2.52%
	18,800	Info Edge India Ltd.	399,740	669,255	1.99%
	27,400	InterGlobe Aviation Ltd.	687,469	512,186	1.53%
	225,000	IRB Infrastructure Developers Ltd.	658,679	236,220	0.70%
	38,000	MakeMyTrip Ltd.	1,379,826	877,040	2.61%
	9,600	Maruti Suzuki India Ltd.	829,782	991,723	2.96%
	50,000	Phoenix Mills Ltd.	360,006	580,299	1.73%
	24,900	PVR Ltd.	142,692	661,376	1.97%
	44,000	Reliance Industries Ltd.	829,345	934,983	2.79%
	38,000	Titan Co. Ltd.	699,099	633,790	1.89%
			11,537,827	10,754,917	32.06%
Indonesia (31 December 2018: 15.69%)					
	11,200,000	Ace Hardware Indonesia Tbk PT	981,094	1,206,123	3.59%
	380,000	Bank Central Asia Tbk PT	805,771	914,929	2.73%
	9,720,000	Ciputra Development Tbk PT	707,519	728,169	2.17%
	9,000,000	Mitra Adiperkasa Tbk PT	694,749	683,955	2.04%
	13,200,000	Pakuwon Jati Tbk PT	683,594	541,977	1.62%
	6,850,000	Selamat Sempurna Tbk PT	691,619	735,206	2.19%
			4,564,346	4,810,359	14.34%
Pakistan (31 December 2018: 1.63%)					
	36,000	Indus Motor Co. Ltd.	424,083	270,531	0.81%
	191,000	Lucky Cement Ltd.	701,366	525,703	1.56%
	2,900,000	Pakistan Stock Exchange Ltd.	674,587	234,067	0.70%
			1,800,036	1,030,301	3.07%
Philippines (31 December 2018: 12.12%)					
	4,000,000	Bloomberry Resorts Corp.	904,639	892,487	2.66%
	973,212	Philippine Seven Corp.	590,098	2,728,722	8.14%
	366,000	Robinsons Retail Holdings, Inc.	569,233	578,142	1.72%
	1,282,000	Wilcon Depot, Inc.	355,512	455,642	1.36%
			2,419,482	4,654,993	13.88%
Singapore (31 December 2018: 2.01%)					
	50,600	Sea Ltd.	802,288	1,984,026	5.91%
			802,288	1,984,026	5.91%
Sri Lanka (31 December 2018: 3.60%)					
	608,484	John Keells Holdings PLC	647,821	560,181	1.67%
			647,821	560,181	1.67%
Vietnam (31 December 2018: 25.88%)					
	1,162,006	FPT Corp.	1,050,466	2,923,506	8.71%
	526,006	Mobile World Investment Corp.	925,605	2,587,752	7.71%
	685,000	Refrigeration Electrical Engineering Corp.	964,217	1,073,061	3.20%

SCHEDULE OF INVESTMENTS (CONTINUED)

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock (31 December 2018: 96.26%) (continued)					
Vietnam (31 December 2018: 25.88%) (continued)					
	77,700	Sai Gon Cargo Service Corp.	554,923	402,373	1.20%
	200,000	Taseco Air Services JSC	455,656	733,628	2.19%
	261,000	Vietnam Engine & Agricultural Machinery Corp.	440,946	506,851	1.51%
	554,500	Vincom Retail JSC	858,692	813,594	2.43%
			<u>5,250,505</u>	<u>9,040,765</u>	<u>26.95%</u>
		Total Common Stock	27,022,305	32,835,542	97.88%
Warrant (31 December 2018: 1.70%)					
Pakistan (31 December 2018: 1.70%)					
	67,000	Indus Motor Co. Ltd. 25/10/2021	985,167	503,489	1.50%
			<u>985,167</u>	<u>503,489</u>	<u>1.50%</u>
		Total Warrants	985,167	503,489	1.50%
		Total Fair Value of Investments	28,007,472	33,339,031	99.38%

Forward Foreign Currency Contracts (31 December 2018: 0.18%)

Currency Bought	Amount Bought	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) USD	% of Net Assets
SGD	160	USD	(118)	30/01/2020	Brown Brothers Harriman	1	0.00%
SGD	2,617	USD	(1,926)	30/01/2020	Brown Brothers Harriman	20	0.00%
GBP	62,407	USD	(82,196)	30/01/2020	Brown Brothers Harriman	85	0.00%
SGD	616,545	USD	(453,584)	30/01/2020	Brown Brothers Harriman	4,719	0.01%
GBP	3,158,929	USD	(4,158,130)	30/01/2020	Brown Brothers Harriman	6,740	0.02%
					Total unrealised gains on Forward Foreign Currency Contracts	11,565	0.03%
					Total Financial Assets at Fair Value through Profit or Loss	33,350,596	99.41%
USD	122,866	SGD	(166,993)	30/01/2020	Brown Brothers Harriman	(1,267)	0.00%
					Total unrealised losses on Forward Foreign Currency Contracts	(1,267)	0.00%
					Total Financial Liabilities at Fair Value through Profit or Loss	(1,267)	0.00%
						Value USD	% of Net Assets
					Cash	280,492	0.84%
					Other Net Liabilities	(81,777)	(0.25%)
					Net Assets Attributable to Holders of Redeemable Participating Shares	33,548,044	100.00%

Prusik Asia Emerging Opportunities Fund plc (formerly Prusik Asian Smaller Companies Fund plc)

BALANCE SHEET

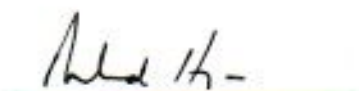
	Notes	As at 31 December 2019 USD	As at 31 December 2018 USD
Assets			
Financial assets, at cost		28,007,472	33,121,718
Financial assets at fair value through profit or loss			
- Transferable securities		32,835,542	32,513,269
- Warrants		503,489	574,424
- Financial derivative instruments		11,565	62,181
Cash	8	280,492	943,146
Receivable for investments sold		–	32,662
Dividends receivable		64,037	3,184
Other assets		–	6,238
Total assets		33,695,125	34,135,104
Liabilities			
Financial liabilities at fair value through profit or loss			
- Financial derivative instruments		1,267	1,017
Payable for investments purchased		–	25,017
Redemptions payable		–	212,198
Investment management fees	2	33,600	41,764
Administration fees	3	22,014	12,714
Depositary fees	4	14,754	11,003
Directors' fees	5	4,970	–
Audit fees	6	18,273	6,316
Performance fees	2	–	2,154
Research fees	10	–	2,526
Professional fees		46,838	43,450
Other liabilities		5,365	209
Total liabilities		147,081	358,368
Net Assets Attributable to Holders of Redeemable Participating Shares		33,548,044	33,776,736

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

BALANCE SHEET (CONTINUED)

		As at	As at	As at
	Notes	31 December 2019	31 December 2018	31 December 2017
Class A Dollar (Hedged) Non-Distributing Class				
Net Assets		USD 26,688,791	USD 27,154,520	USD 32,743,715
Outstanding Redeemable Participating Shares	1	168,942	192,995	186,848
Net Asset Value per Share		USD 157.98	USD 140.70	USD 175.24
Class B Dollar (Hedged) Distributing Class				
Net Assets		USD 180,295	USD 391,563	USD 11,704,100
Outstanding Redeemable Participating Shares	1	1,218	2,907	68,344
Net Asset Value per Share		USD 148.03	USD 134.70	USD 171.25
Class C Sterling (Hedged) Distributing Class				
Net Assets		GBP 3,266,816	GBP 2,988,022	GBP 3,879,403
Outstanding Redeemable Participating Shares	1	44,177	43,583	43,584
Net Asset Value per Share		GBP 73.95	GBP 68.56	GBP 89.01
Class D Singapore Dollar (Hedged) Distributing Class				
Net Assets		SGD 459,269	SGD 829,725	SGD 1,380,256
Outstanding Redeemable Participating Shares	1	2,303	4,538	5,867
Net Asset Value per Share		SGD 199.42	SGD 182.84	SGD 235.26
Class E Singapore Dollar (Hedged) Distributing Class				
Net Assets		SGD 2,181,521	SGD 1,916,176	SGD 2,305,286
Outstanding Redeemable Participating Shares	1	14,393	14,215	14,215
Net Asset Value per Share		SGD 151.57	SGD 134.80	SGD 162.17
Class U Sterling (Unhedged) Distributing Class				
Net Assets		GBP 313,226	GBP 320,151	GBP 1,912,388
Outstanding Redeemable Participating Shares	1	3,101	3,368	16,760
Net Asset Value per Share		GBP 101.01	GBP 95.06	GBP 114.10

For and on behalf of the Board of Directors of Prusik Asia Emerging Opportunities Fund plc (formerly Prusik Asian Smaller Companies Fund plc)



Richard Hayes
Director
22 April 2020



David Hammond
Director

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

PROFIT AND LOSS ACCOUNT

	Notes	For the year ended 31 December 2019 USD	For the year ended 31 December 2018 USD
Investment income			
Dividend income		708,907	926,506
Interest income		9,641	8,569
Miscellaneous income		18,360	21,056
Net realised (loss)/gain on financial assets and liabilities at fair value through profit or loss		(1,218,659)	1,333,647
Movement in net unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss		5,314,661	(10,541,484)
Total income/(loss)		4,832,910	(8,251,706)
Expenses			
Investment management fees	2	438,532	623,541
Administration fees	3	94,444	100,761
Depositary fees	4	47,000	65,874
Directors' fees	5	35,999	32,566
Audit fees	6	18,515	21,145
Professional fees		111,296	78,658
Research fees	10	23,847	30,314
Transaction costs		87,920	148,443
Other expenses		10,186	14,946
Total expenses		867,739	1,116,248
Net income/(expense) before finance costs		3,965,171	(9,367,954)
Finance costs			
Overdraft interest		(24)	(449)
Distributions paid		(114,747)	(234,769)
Indian capital gains tax	9	–	(15,465)
Total finance costs		(114,771)	(250,683)
Withholding tax on dividends		(709)	(38,075)
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations		3,849,691	(9,656,712)

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

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

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

	Notes	For the year ended 31 December 2019 USD	For the year ended 31 December 2018 USD
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations		3,849,691	(9,656,712)
Capital Share Transactions of Redeemable Participating Shares			
Proceeds from issuance of Redeemable Participating Shares	1	148,944	3,408,419
Payments on redemption of Redeemable Participating Shares	1	(4,227,327)	(14,999,021)
Net decrease from Capital Share Transactions of Redeemable Participating Shares		(4,078,383)	(11,590,602)
Change in Net Assets Attributable to Holders of Redeemable Participating Shares		(228,692)	(21,247,314)
Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the year		33,776,736	55,024,050
Net Assets Attributable to Holders of Redeemable Participating Shares at the end of the year		33,548,044	33,776,736

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Act 2014 and the Central Bank (Supervision and Enforcement) Act 2013 (section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (S.I. No. 230 of 2019) (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 17 and 18, 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. There were no such financial instruments held for trading by the Company at the year end.

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.

(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 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 which they arise.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(iii) Derecognition

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

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

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

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

(iv) Initial Measurement

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

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

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

(v) Subsequent Measurement

After initial measurement, the Company measures financial instruments classified as financial assets at fair value through profit or loss at their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction. The value of any security which is not quoted, listed or dealt in on a Recognised Exchange or which is so quoted, listed or dealt but for which no such quotation or value is available or the available quotation or value is not representative of the fair market value shall be the probable realisation value as estimated with care and good faith by the Directors or by a competent person, firm or corporation appointed by the Directors and approved for such purpose by the Depositary.

Cash and other Liquid Assets

Cash comprises current deposits with banks. Cash and other liquid assets will be valued at their face value with accrued interest on interest bearing accounts as at the close of business on each valuation date.

Derivative Instruments

Derivative instruments traded on a regulated market shall be valued at the settlement price as determined by the market. If the settlement price is not available, the value shall be the probable realisation value estimated with care and in good faith by (i) the Directors or the Investment Manager or (ii) a competent person, firm or corporation selected by the Directors and approved for the purpose by the Depositary or (iii) any other means provided that the value is approved by a competent person (such competent person having been appointed by the Directors and approved for the purpose by the Depositary). Derivative contracts which are not traded on a regulated market including without limitation swap contracts will be valued on the basis of a quotation provided daily by the relevant counterparty and verified or approved at least weekly by a party independent of the counterparty, including the Investment Manager, or another independent party which is approved for such purpose by the Depositary. Apart from forward foreign currency contracts as at 31 December 2019 and 31 December 2018 the Company did not hold any derivative instruments.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Forward Foreign Currency Contracts

Forward foreign currency contracts shall be valued in the same manner as derivatives contracts which are not traded in a regulated market or by reference to the price at the Valuation Point at which new forward contract of the same size and maturity could be undertaken. The forward foreign currency contracts held by the Company as at 31 December 2019 are included in the Schedule of Investments.

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

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

Collective Investment Schemes and Real Estate Investment Trusts

Units in collective investment schemes and real estate investment trusts shall be valued at the latest available net asset value per unit or bid price as published by the relevant collective investment scheme and real estate investment trusts or, if traded on a Recognised Exchange, in accordance with listed securities above. As at 31 December 2019 and 31 December 2018 the Company did not hold any collective investment schemes or real estate investment trusts units.

Warrants

The Company may invest in warrants. Warrants which are fully paid up and have a zero strike price exhibit the identical risk and return characteristics as in the case where the Company had acquired the underlying equity directly. Such warrants are valued at the last traded price for the underlying equity quoted on the stock exchange or principal market on which it is listed. The warrants held by the Company as at 31 December 2019 are included in the Schedule of Investments.

Distributions Payable to Holders of Redeemable Participating Shares

The Company received Reporting Fund Status from HMRC with effect from 1st January 2010 (the Company previously had been registered as having distributor status for the year ended 31 December 2009). The Directors, at their discretion, can propose to distribute any of the net investment income of the Class B Dollar (Hedged) Distributing Class, the Class C Sterling (Hedged) Distributing Class, the Class D Singapore Dollar (Hedged) Distributing Class, the Class E Singapore Dollar (Hedged) Distributing Class and the Class U Sterling (Unhedged) Distributing Class of the Company. In the event that a dividend is paid it will be paid out of the net investment income and/or net realised and unrealised capital gains (i.e. realised and unrealised gains net of realised and unrealised losses) of the Company.

It is currently anticipated that, if there is net income to distribute, a dividend will be declared in April of each year, and will be paid within two months of declaration. However, the Directors may at their discretion determine the frequency at which a dividend is paid. Shareholders will be notified of any change in the frequency of the payment of dividends. Distributions to holders of redeemable participating shares are recorded in the Profit and Loss Account as finance costs when paid. Distributions paid or payable during the year ended 31 December 2019 were USD 114,747 (USD 234,769: 31 December 2018).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Distributions Payable to Holders of Redeemable Participating Shares (continued)

The following table summarises the distributions paid by the Company during the year ended 31 December 2019:

Share Class	Ex-Date	Distribution per Share USD
Class B Dollar (Hedged) Distributing Class	2 January 2019	1.2007
	2 July 2019	1.8723
Class C Sterling (Hedged) Distributing Class	2 January 2019	0.7925
	2 July 2019	1.2170
Class D Singapore Dollar (Hedged) Distributing Class	2 January 2019	1.1965
	2 July 2019	1.8534
Class U Sterling (Unhedged) Distributing Class	2 January 2019	1.0736
	2 July 2019	1.6791

The following table summarises the distributions paid by the Company during the year ended 31 December 2018:

Share Class	Ex-Date	Distribution per Share USD
Class B Dollar (Hedged) Distributing Class	2 January 2018	1.1844
	2 July 2018	2.0214
Class C Sterling (Hedged) Distributing Class	2 January 2018	0.8119
	2 July 2018	1.4287
Class D Singapore Dollar (Hedged) Distributing Class	2 January 2018	1.2157
	2 July 2018	2.0731
Class U Sterling (Unhedged) Distributing Class	2 January 2018	1.0730
	2 July 2018	1.8179

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Dividend Income

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

Transaction Costs

Transaction costs include fees and commissions paid to agents (including employees acting as selling agents), advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include 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.

Expenses

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

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.

Receivable for Investments Sold

Receivables for investments sold represent amounts due from brokers for securities sold (in a regular way transaction) that have been contracted for, but not yet delivered, on the Statement of Financial Position date. These amounts are initially recognised and subsequently measured in accordance with the significant accounting policies for financial assets and financial liabilities at fair value through profit or loss set out above.

Payable for Investments Purchased

Payables for investments purchased represent amounts due to brokers for securities purchased (in a regular way transaction) that have been contracted for, but not yet received, on the Statement of Financial Position date. These amounts are initially recognised and subsequently measured in accordance with the significant accounting policies for financial assets and financial liabilities at fair value through profit or loss set out above.

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.

NOTES TO THE FINANCIAL STATEMENTS

1. Share Capital

Authorised

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

Non-Participating Shares

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

Redeemable Participating Shares

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

The movement in the number of redeemable participating shares for the year ended 31 December 2019 is as follows:

	Class A Dollar (Hedged) Non-Distributing Class Shares	Class B Dollar (Hedged) Distributing Class Shares	Class C Sterling (Hedged) Distributing Class Shares
At the beginning of the year	192,995	2,907	43,583
Redeemable Participating Shares issued	–	20	910
Redeemable Participating Shares redeemed	(24,053)	(1,709)	(316)
At the end of the year	168,942	1,218	44,177

	Class D Singapore Dollar (Hedged) Distributing Class Shares	Class E Singapore Dollar (Hedged) Distributing Class Shares	Class U Sterling (Unhedged) Distributing Class Shares
At the beginning of the year	4,538	14,215	3,368
Redeemable Participating Shares issued	3	466	94
Redeemable Participating Shares redeemed	(2,238)	(288)	(361)
At the end of the year	2,303	14,393	3,101

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Share Capital (continued)

Redeemable Participating Shares (continued)

The movement in the number of redeemable participating shares for the year ended 31 December 2018 is as follows:

	Class A Dollar (Hedged) Non-Distributing Class Shares	Class B Dollar (Hedged) Distributing Class Shares	Class C Sterling (Hedged) Distributing Class Shares
At the beginning of the year	186,848	68,344	43,584
Redeemable Participating Shares issued	17,943	602	869
Redeemable Participating Shares redeemed	(11,796)	(66,039)	(870)
At the end of the year	192,995	2,907	43,583

	Class D Singapore Dollar (Hedged) Distributing Class Shares	Class E Singapore Dollar (Hedged) Distributing Class Shares	Class U Sterling (Unhedged) Distributing Class Shares
At the beginning of the year	5,867	14,215	16,760
Redeemable Participating Shares issued	6	–	57
Redeemable Participating Shares redeemed	(1,335)	–	(13,449)
At the end of the year	4,538	14,215	3,368

Applications for redemption of Redeemable Participating Shares may be submitted prior to 5.00 p.m. 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 Class are entitled to receive all dividends declared and paid by the Company out of the Fund. Upon winding up, the holders of all of the Classes are entitled to a return of capital based on the NAV per share of the respective Class of shares held by each shareholder.

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.

Until 30 July, the Investment Manager received from the Company a fee of 1.5% per annum of the NAV of the Company together with Value Added Tax (“VAT”), if any, on such fee for all share classes, with the exception of the Class E Singapore Dollar (Hedged) Distributing Class which does not charge a management fee. Since 1 August 2019, the investment management fees payable by the Company have been reduced to a maximum of 1.2% per annum of the NAV of the Company. Fees payable to the Investment Manager shall be accrued at each Valuation Point and shall be payable monthly in arrears. The Company shall bear the cost of any VAT applicable to any fees or other amounts payable to or by such nominee in the performance of their respective duties.

The Investment Manager earned a fee of USD 438,532 during the year ended 31 December 2019 (USD 623,541: 31 December 2018), of which USD 33,600 is outstanding at the year end (USD 41,764: 31 December 2018).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Investment Management Fees (continued)

Performance fee and equalisation

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

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

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

A Performance Fee of USD Nil was earned during the year ended 31 December 2019 (USD Nil: 31 December 2018), which includes USD Nil due to the issuance of redeemable participating shares in exchange for cancellation of performance fee equalisation credits (USD Nil: 31 December 2018). The performance fee outstanding at the end of the year was USD Nil (USD 2,154: 31 December 2018).

Since 1 August 2019, no further performance fees were payable by the Company and any accrued but unpaid performance fees have been waived by the Investment Manager.

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 per month. Additional Classes in excess of two Classes shall be charged at USD 250 per month. The Administrator is also entitled to receive registration fees and transaction and reporting charges at normal commercial rates which shall accrue daily and be paid monthly in arrears.

The Administrator is also 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 94,444 during the year ended 31 December 2019 (USD 100,761: 31 December 2018), of which USD 22,014 is outstanding at the year end (USD 12,714: 31 December 2018).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Depositary Fees

The Company paid Brown Brothers Harriman Trustee Services (Ireland) Limited (the “Depositary”) a depositary fee of 0.023% of the NAV 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.

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 47,000 during the year ended 31 December 2019 (USD 65,874: 31 December 2018), of which USD 14,754 is outstanding at the year end (USD 11,003: 31 December 2018).

5. Directors’ Fees

The Directors of the Company are entitled to a fee in remuneration for their services of EUR 15,000 each (plus VAT, if any) per annum. In addition, the Directors are entitled to special remuneration if called upon to perform any special or extra services to the Company. All Directors are entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties. Heather Manners and Tony Morris have waived their entitlement to Directors fees (as disclosed in Note 6).

The Directors in aggregate earned fees of USD 35,999 during the year ended 31 December 2019 (USD 32,566: 31 December 2018), of which USD 4,970 is outstanding at the year end (USD Nil: 31 December 2018).

6. Auditors Remuneration

Audit fees charged to the Profit and Loss Account for the year ended 31 December 2019 amounted to USD 18,515 (USD 21,145: 31 December 2018) of which USD 18,273 is outstanding at the year ended 31 December 2019 (USD 6,316: 31 December 2018). 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 years ended 31 December 2019 and 31 December 2018 was as follows:

	Year ended 31 December 2019	Year ended 31 December 2018
	USD	USD
Statutory audit fees	18,515	21,145

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 2019 and 31 December 2018.

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 2019 and 31 December 2018.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Related Parties (continued)

The following Directors and related parties held Shares in the Company as at 31 December 2019:

Related Party	Shares held	Share Class
Heather Manners	5,280	Class E Singapore Dollar (Hedged) Distributing Class
Prusik Investment Management LLP	481	Class E Singapore Dollar (Hedged) Distributing Class
Prusik Investment Management Singapore Pte Ltd.	68	Class E Singapore Dollar (Hedged) Distributing Class
Thomas Naughton (Partner of the Investment Manager)	2,731	Class E Singapore Dollar (Hedged) Distributing Class
Tony Morris	2,750	Class E Singapore Dollar (Hedged) Distributing Class
Richard Hayes	2,753	Class E Singapore Dollar (Hedged) Distributing Class
Amirah Rani (employee of the Investment Manager)	126	Class E Singapore Dollar (Hedged) Distributing Class
Mark Dwerryhouse (employee of the Investment Manager)	145	Class E Singapore Dollar (Hedged) Distributing Class
William Tan (Spouse) (employee of the Investment Manager)	59	Class E Singapore Dollar (Hedged) Distributing Class

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

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

8. Cash

Cash balances were held with the following institutions:

	31 December 2019	31 December 2018
	USD	USD
Brown Brothers Harriman & Co.	220*	19,874
National Australia Bank, London	280,272	–
Standard Chartered Bank, Singapore	–	923,272
	<u>280,492*</u>	<u>943,146</u>

*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.

As at 31 December 2019 the amount included in respect of subscription and redemption payments held in the Company's collection account in Cash and Other liabilities was USD 1 (USD Nil: 31 December 2018).

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Taxation (continued)

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, interest and capital gains (if any) which the Company receives with respect to investments may be subject to taxes, including non-recoverable withholding tax, in the countries of origin. Indian capital gains tax paid during the year ended 31 December 2019 was USD Nil (USD 15,465: 31 December 2018), of which USD Nil is outstanding at the year end (USD Nil: 31 December 2018).

10. Payment for Research

The Investment Manager may enter into arrangements with brokers/dealers to receive certain research services used to support the investment decision process.

During the period ended 31 December 2019, 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 23,847 during the year ended (USD 30,314: 31 December 2018), of which USD Nil is outstanding at the year end (USD 2,526: 31 December 2018).

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 execution 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 2019, the Company did not hold any instruments for the purposes of efficient portfolio management (31 December 2018: None).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Exchange Rates

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

	31 December 2019	31 December 2018
Australian Dollar	–	1.4174
British Pound Sterling	0.7591	0.7849
Euro	–	0.8734
Hong Kong Dollar	–	7.8323
Indian Rupee	71.3425	69.8150
Indonesian Rupiah	13,882.5000	–
Malaysian Ringgit	–	4.1325
Pakistan Rupee	154.8700	138.8000
Philippine Peso	50.6450	52.5850
Singapore Dollar	1.3456	1.3623
South Korean Won	–	1,115.8000
Sri Lankan Rupee	181.4000	182.8500
Taiwan Dollar	–	30.7370
Vietnamese Dong	23,172.5000	23,195.0000

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 2019, 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 1,667,466 (USD 1,657,443: 31 December 2018).

The Company’s concentration of equity price risk by geographical distribution can be seen in the Schedule of Investments on pages 13 to 14.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

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 overleaf sets out the Company's total exposure to foreign currency at the year ended 31 December 2019, including sensitivity analysis.

	Cash	Non-Cash	Total USD	Effect on Net Assets of 5% Change in Foreign Exchange Rate (stated in USD)
British Pound Sterling	7	4,247,151	4,247,158	212,358
Indian Rupee	–	9,877,877	9,877,877	493,894
Indonesian Rupiah	–	4,810,358	4,810,358	240,518
Pakistan Rupee	–	1,030,302	1,030,302	51,515
Philippine Peso	–	4,654,993	4,654,993	232,750
Singapore Dollar	1	336,234	336,235	16,812
Sri Lankan Rupee	–	560,181	560,181	28,009
Vietnamese Dong	–	9,101,774	9,101,774	455,089

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	75	–	75	4
British Pound Sterling	18	3,738,906	3,738,924	186,946
Hong Kong Dollar	6	–	6	0
Indian Rupee	–	9,824,869	9,824,869	491,243
Indonesian Rupiah	7,010	5,296,987	5,303,997	265,200
Malaysian Ringgit	–	1,215,245	1,215,245	60,762
Pakistan Rupee	–	527,946	527,946	26,397
Philippine Peso	–	4,095,002	4,095,002	204,750
Singapore Dollar	2	598,185	598,187	29,909
Sri Lankan Rupee	–	1,245,979	1,245,979	62,299
Taiwan Dollar	1	–	1	0
Vietnamese Dong	11,724	8,741,119	8,752,843	437,642

(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 Company are invested in non-interest bearing securities. As a result, the Company is not subject to significant amounts of risk due to fluctuation in the prevailing levels of market interest rates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Financial Risk Management (continued)

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 2019 and 31 December 2018 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 Company 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 2019	Moody's 31 December 2018
Brown Brothers Harriman & Co.	F1*	F1*
National Australia Bank, London	Aa3	–
Standard Chartered Bank, Singapore	–	A1

*Fitch rating.

For cash accounts, funds deposited are liabilities of the banks, creating a debtor-creditor relationship between the bank and the Company. Cash accounts opened on the books of Brown Brothers Harriman & Co. are obligations of Brown Brothers Harriman & Co. while cash accounts opened 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 2019 was USD 4,830,384 (USD 4,475,481: 31 December 2018).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Financial Risk Management (continued)

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 weekly 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.

In addition, the Company's policy is to maintain sufficient cash to meet normal operating requirements and expected redemption requests. The Company has the ability to borrow in the short term to ensure settlement of potential weekly cash redemptions of redeemable participating shares. No such borrowings have arisen during the years ending 31 December 2019 and 31 December 2018.

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 2019

	Less than or equal to 1 month USD	More than 1 month USD	Total USD
Other payables	–	145,814	145,814
Redeemable Participating Shares	33,548,044	–	33,548,044
Total	33,548,044	145,814	33,693,858
<i>Forward foreign currency exchange contracts</i>			
Payables	124,133	–	124,133
Receivables	(122,866)	–	(122,866)
Net	1,267	–	1,267
Total	33,549,311	145,814	33,695,125

31 December 2018

	Less than or equal to 1 month USD	More than 1 month USD	Total USD
Redemptions payable	212,198	–	212,198
Payable for investments purchased	25,017	–	25,017
Other payables	–	120,136	120,136
Redeemable Participating Shares	33,776,736	–	33,776,736
Total	34,013,951	120,136	34,134,087
<i>Forward foreign currency exchange contracts</i>			
Payables	69,703	–	69,703
Receivables	(68,686)	–	(68,686)
Net	1,017	–	1,017
Total	34,014,968	120,136	34,135,104

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Financial Risk Management (continued)

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. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.
- (iii) Level 3: Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgement or estimation. As observable prices are not available for these securities, the Company would use valuation techniques to derive fair value.

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

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

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

The fair values of 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Financial Risk Management (continued)

d) Fair Value Estimation (continued)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following table provides an analysis within the fair value hierarchy of the Company's financial assets and liabilities measured at fair value at 31 December 2019 and 31 December 2018:

As at 31 December 2019

Financial Assets at Fair Value Through Profit or Loss	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Common Stock	32,835,542	–	–	32,835,542
Warrants	–	503,489	–	503,489
Forward Foreign Currency Contracts	–	11,565	–	11,565
Total Financial Assets at Fair Value Through Profit or Loss	32,835,542	515,054	–	33,350,596

Financial Liabilities at Fair Value Through Profit or Loss

Forward Foreign Currency Contracts	–	(1,267)	–	(1,267)
Total Financial Liabilities at Fair Value Through Profit or Loss	–	(1,267)	–	(1,267)

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	32,513,269	–	–	32,513,269
Warrants	–	574,424	–	574,424
Forward Foreign Currency Contracts	–	62,181	–	62,181
Total Financial Assets at Fair Value Through Profit or Loss	32,513,269	636,605	–	33,149,874

Financial Liabilities at Fair Value Through Profit or Loss

Forward Foreign Currency Contracts	–	(1,017)	–	(1,017)
Total Financial Liabilities at Fair Value Through Profit or Loss	–	(1,017)	–	(1,017)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Financial Risk Management (continued)

d) Fair Value Estimation (continued)

There were no transfers between levels for the investments held at 31 December 2019 and 31 December 2018.

The Fund held no Level 3 investments as at the year ended 31 December 2019 (Nil: 31 December 2018).

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 2019 and 31 December 2018 there were no Financial assets and liabilities that were offset in the Statement of Financial Position.

14. Portfolio Analysis

As at 31 December 2019

	Market Value USD	% of Total Assets
Transferable securities admitted to an official exchange listing	32,835,542	97.45
Other securities	503,489	1.49
Financial derivative instruments (Forward Foreign Currency Contracts)	10,298	0.03
Net financial assets at fair value through profit or loss	33,349,329	98.97

As at 31 December 2018

	Market Value USD	% of Total Assets
Transferable securities admitted to an official exchange listing	32,513,269	95.25
Other securities	574,424	1.68
Financial derivative instruments (Forward Foreign Currency Contracts)	61,164	0.18
Net financial assets at fair value through profit or loss	33,148,857	97.11

15. Comparatives

The comparative figures are for the year ended 31 December 2018 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 2018 for the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. Significant Events during the Year

Following the approval of the Shareholders at an Extraordinary General Meeting held on 19 July, 2019, and with effect from 1 August 2019, the Company has amended its investment objective and changed its name from Prusik Asian Smaller Companies Fund plc to Prusik Asia Emerging Opportunities Fund plc. In addition, no further performance fees have been charged, and management fees have been reduced to a maximum fee of 1.2% per annum of the NAV of the Company.

From 1 August 2019, the Company has been open for subscriptions and redemptions on every business day.

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

17. Events since the Year End

Subsequent to year end, global financial markets have experienced significant volatility resulting from the spread of a novel coronavirus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The effects of COVID-19 may continue to adversely affect the global economy, the economies of certain nations and individual issuers, all of which may negatively impact the Company's performance.

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

18. Approval of Financial Statements

The audited financial statements were approved by the Directors on 22 April 2020.

**STATEMENT OF SIGNIFICANT CHANGES IN THE COMPOSITION OF THE PORTFOLIO
(UNAUDITED)**

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.

Total Purchases for the year ended 31 December 2019*

Security Description	Acquisitions Nominal	Cost USD
ICICI Prudential Life Insurance Co. Ltd./India	125,000	835,390
Maruti Suzuki India Ltd.	9,600	828,311
Reliance Industries Ltd.	44,000	827,877
Bank Central Asia Tbk PT	380,000	804,802
Ciputra Development Tbk PT	9,720,000	706,890
Lucky Cement Ltd.	191,000	699,806
Titan Co. Ltd.	38,000	697,824
Mitra Adiperkasa Tbk PT	9,000,000	693,909
InterGlobe Aviation Ltd.	27,400	686,216
Pakuwon Jati Tbk PT	13,200,000	682,767
Bajaj Finance Ltd.	15,900	678,804
Wilcon Depot, Inc.	1,282,000	355,130
Affle India Ltd.	20,300	346,388
Ho Chi Minh City Securities Corp.	256,000	337,850
Selamat Sempurna Tbk PT	1,550,000	174,792
Vietnam Engine & Agricultural Machinery Corp.	80,000	142,825
Indus Motor Co. Ltd.	5,700	50,174

*During the year ended 31 December 2019 there were only 17 purchases.

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

Major Sales for the year ended 31 December 2019

Security Description	Disposals Nominal	Proceeds USD
Muhibbah Engineering M Bhd	1,800,000	1,286,079
Bank Tabungan Negara Persero Tbk PT	7,300,000	1,134,175
Sarana Menara Nusantara Tbk PT	21,357,500	1,115,456
Taseco Air Services JSC	352,050	962,734
IRB InvIT Fund	850,000	724,297
Phoenix Mills Ltd.	72,000	647,567
Aditya Birla Fashion & Retail Ltd.	218,300	603,602
Ace Hardware Indonesia Tbk PT	4,700,000	558,274
Surya Citra Media Tbk PT	6,300,000	551,752
Crompton Greaves Consumer Electricals Ltd.	178,000	533,818
Finolex Industries Ltd.	75,000	498,209
Bloomberry Resorts Corp.	2,000,000	439,631
Dialog Axiata PLC	6,700,000	365,594
Vietnam Engine & Agricultural Machinery Corp.	137,000	338,649
Sea Ltd.	10,400	334,221
PVR Ltd.	14,000	325,706
Mobile World Investment Corp.	56,340	325,153
FPT Corp.	124,340	320,437
Ho Chi Minh City Securities Corp.	256,000	220,748
Power Construction JSC No.1	188,002	188,308
Info Edge India Ltd.	5,900	174,404
Affle India Ltd.	11,300	171,058
Future Retail Ltd.	31,000	169,817
TCNS Clothing Co. Ltd.	18,000	167,855
Vincom Retail JSC	107,000	164,954
IRB Infrastructure Developers Ltd.	80,000	164,600
Hemas Holdings PLC	330,000	159,208
Edelweiss Financial Services Ltd.	57,600	155,015
Jollibee Foods Corp.	30,560	136,083

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 Asia Emerging Opportunities Fund plc
(formerly Prusik Asian Smaller Companies 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
One Ropemaker Street
London, EC2Y 9SS
United Kingdom

Prusik Asia Emerging Opportunities Fund plc (formerly Prusik Asian Smaller Companies Fund plc)

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 €9,000. 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 2019 was £1,166,245 apportioned as to £627,500 and £538,745 as to fixed and variable remuneration respectively.

The tables below present aggregated information on the remuneration of all staff employed on 31 December 2019, and performing activities for the Company during the year 2019, 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 2019:

Number of employees	5
Fixed remuneration of Investment Manager	£ 627,500
Variable remuneration	£ 538,745
Aggregate of Fixed and Variable remuneration	£ 1,166,245