

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)

**Condensed Semi-Annual Report and Unaudited Financial Statements
For the Financial Period Ended 30 June 2019**

TABLE OF CONTENTS

	Page
GENERAL INFORMATION	2
INVESTMENT MANAGER'S REPORT	4
SCHEDULE OF INVESTMENTS	6
BALANCE SHEET	8
PROFIT AND LOSS ACCOUNT	10
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES	11
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	12
NOTES TO THE FINANCIAL STATEMENTS	17
STATEMENT OF SIGNIFICANT CHANGES IN THE COMPOSITION OF PORTFOLIO	25
MANAGEMENT AND ADMINISTRATION	26

GENERAL INFORMATION

Prusik Asian Smaller Companies Fund plc (the “Company”) is a public limited liability investment company with variable capital, incorporated on 11 January 2008 in Ireland pursuant to Part 24 of the Companies Act 2014 and authorized by the Central Bank of Ireland (the “Central Bank”) under the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 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 every Friday of each calendar month (“Dealing Day”) provided that Dealing Day is a business day, or if such day is not a business day, on the following business day. The valuation point is 11.00 am (Irish time) on each Dealing Day.

The most recent Prospectus of the Company is dated 29 May 2018.

Investment Objective

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

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

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

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

GENERAL INFORMATION (CONTINUED)

Investment Objective (continued)

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

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

The Company may also invest in certain securities and markets, using forms of indirect investment including, but not limited to Real Estate Investment Trusts, 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.

INVESTMENT MANAGER'S REPORT

Prusik Asian Smaller Companies Fund plc Half Year Report June 2019

In the first half of 2019, the Prusik Asian Smaller Companies Fund, returned 10.3%. 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 2.1% less than the main Asia ex-Japan index and 2.0% ahead of the Asia ex-Japan small cap index. Given the difficulty in identifying an appropriate index for the fund, we believe it is more fitting to think about performance in terms of what kind of returns the fund might generate over the long term. The underlying GDP growth of the 'demographic growth markets' in Asia where the fund is invested is close to 7.0%. This combined with the fact that our active stock picking leads us to companies with average earnings growth several percentage points above average GDP growth rates, plus the fund's 2.1% dividend yield, results in an overall objective of achieving 10-12% annual returns over a 5 year cycle. In this context, the fund's performance in 1H19 is robust.

By geography the fund saw strong absolute and good relative returns compared to the local index in Singapore, Vietnam, India, Indonesia and the Philippines, which combined accounted for 90.8% of the fund's weighting. Performance was led in particular by our ASEAN focused ecommerce and mobile gaming company, **Sea Ltd**, which returned 193.5% in the period. We invested in **Sea Ltd** towards the end of 2017 as part of the IPO. While the stock had a challenging start, we believed patience was needed and, indeed, patience has paid off. There are two key engines at **Sea Ltd** which are driving the company's performance and, in turn, the share price. Firstly, 'Free Fire', Sea's self-developed mobile game, which is similar to the ubiquitous 'Fortnite', became the most downloaded mobile game globally in 1H19, with revenues as a result growing by nearly 200%. Secondly, **Sea's** ASEAN focused ecommerce business, Shopee, is seeing growth in gross merchandise value (GMV) of up to 80% and the introduction of competition by a competitor in Indonesia will see monetisation improve from here. These developments firmly quashed previous concerns regarding cash burn and execution capabilities and helped spur the share price. Trading on 5.9x EV / sales we believe the valuation remains undemanding. To put this in context, internet giants in Asia and the US have seen peak valuations in the range of 10-14x EV / sales.

Vietnam was also an area of strength for the fund in 1H19 with our Vietnam portfolio rising by 16.0% in the period. While this was pleasing in its own right, we were especially interested to see that this performance bettered the main local index. For several years now, Prusik's Vietnam investments have performed well but the consistent pattern has been large caps outperforming small caps by some margin. We are encouraged to see the trend reverse. **Vietnam Engine & Agricultural Machinery Corp**, which we invested in towards the end of 2018, rose by 48% in the period as the market better reflected the value of the company's rapidly growing Toyota franchise in Vietnam, while software giant, **FPT**, was boosted by news that it will tie up with ASEAN ride-sharing giant, Grab. Elsewhere, shopping mall owner and operator, **Vincom Retail**, was buoyant following reports of over 40% sales growth at the beginning of 2019.

The more challenged areas of the fund were Pakistan and Sri Lanka, although combined these two countries represented just 7.1% of the portfolio. Sri Lanka, as is widely known, suffered from a horrendous large scale terrorist attack on Easter Sunday with tourist sites such as hotels and restaurants targeted, as well as churches. Our only holding in Sri Lanka, **John Keells**, has a meaningful exposure to the leisure and tourism sector and in fact was one of the targets of the attack, and so it is unsurprising that we saw the stock correct by 9.6% in the period. We recently met with management who talked us through what they expect to be the business impact of the attacks. The company retains its long term appeal of being a key beneficiary of Indian tourism, although we continue to evaluate the opportunity cost of investing in the company relative to other potential candidates in the demographic markets.

In the case of Pakistan, we saw positive progress with regard to the IMF programme with US\$6 billion of IMF assistance now agreed. This came alongside expectations that in the short term inflation and interest rates will rise a few hundred basis points more and GDP growth will slow considerably to around 2.0%. As such, long term potential positives were outweighed by nearer term concerns. While Pakistan has been a source of frustration for the fund for some time, we would note that the Pakistan portfolio is on just 7.7x P/E with a 7.0% dividend yield and the government has plans to establish a fund for the local banks and insurance companies to buy up shares in the country's undervalued stocks. Further, with our search for anomalies in mind, we think it is also pertinent to highlight that for the first time in 11 years, British Airways have reinstated flights to Islamabad. Finally, our 2011 foray into Vietnam came at time when dividend yields were higher than P/E multiples. We are currently not far off this point in Pakistan.

INVESTMENT MANAGER'S REPORT (CONTINUED)

Prusik Asian Smaller Companies Fund plc Half Year Report June 2019 (continued)

The first half of 2019 was an eventful month with regard to politics. Both India and Indonesia held elections, representing the most populous act of democracy, globally. Encouragingly, both populations opted to re-elect the incumbent and with a larger majority than expected. Modi in India and Jokowi in Indonesia now have a clear mandate to continue with the reforms they had started. In India we expect to see the long awaited introduction of invoice matching lead to higher GST revenues and a stronger fiscal position for the Indian government. In Indonesia Jokowi plans to reduce corporation tax so that it is in line with that of Vietnam and Thailand and ease labour laws and foreign investment limits in selected industries in order to promote Indonesia's manufacturing and export sectors. The stability and focus on credible and productivity boosting reforms we find in South and South East Asia stands in stark contrast to what we are currently witnessing in Western economies.

We made a handful of changes to the portfolio in the first half of the year. Firstly, in India we initiated a new position in **Bajaj Finance**, India's leading consumer finance company with an impressive track record in asset growth, whilst still maintaining sound asset quality. In addition, we added a holding in **Reliance Industries**. Whilst **Reliance Industries** is often viewed as an 'index-stock', we believe this is the best placed company in India to develop into a large scale online to offline retailer and multi-use platform of online services and entertainment and, as such, **Reliance** offers a unique opportunity within the Asian demographic growth universe. In Indonesia, we moved to upgrade the portfolio slightly via selling Indonesian telco tower operator, **Sarana Menara**, after a disappointing meeting with management where we learned about the deterioration in management's capital allocation policy. The funds were recycled into **Ciputra Development**, the most well regarded property company in Indonesia, which is in a strong position to benefit from an uptick in the cycle. Finally, we added **Lucky Cement** in Pakistan and **Ho Chi Minh City Securities** in Vietnam, as both companies appeared to be offering a greater quotient of value than usual, although we would note that the value we had identified in these companies has not, since purchase, provided a sufficient margin of safety. Funds for these investments were raised via exiting **Muhibbah Engineering**, **Finolex Industries**, **PC1**, **Dialog Axiata** and **Hemas** where we felt the business risks and liquidity risks were rising. At the time of writing, **Bajaj Finance** has returned 17.8% and **Ciputra Development** has returned 19.8% since purchase.

Looking forward, we believe our invested countries and, in turn, invested companies are set to benefit from a multi-year trend which Asia has already started to undergo. As it is astutely put in '[The Future is Asian](#)':

"We are entering the third wave of modern Asian growth that began with postwar Japan and South Korea, followed by greater China, and which is now propelled by South and South East Asia. Each wave corresponds to a new set of countries in the demographic sweet spot of economic output, and each presents an ever larger share of Asia's enormous population. In the 1960s and 1970s, Japan and South Korea together had a combined population of less than 150 million. China in the 1990s had just over 1 billion people. Today the swath of high-growth economies from Pakistan through Indonesia encompasses 2.5 billion people. [...] Asia has a longer and larger growth wave ahead that what they have experienced to date".

Indeed, the force of this change is already been seen in the investment decisions and strategies of Asia's governments and companies. For example, China's FDI into Indonesia as of 2015 was zero but today China is the second largest contributor of FDI into Indonesia, pumping in several billion dollars a year. At the company level, domestic Chinese dairy giants, Mengniu and Yili have singled out Indonesia as their next target for generating growth. Couple this shift in the future growth drivers of Asia being centred in South and South East Asia with the possibility that ongoing tensions between China and the US could accelerate or even amplify this trend and, as a result, the long term structural outlook for the Prusik Asian Smaller Companies Fund looks increasingly favourable.

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%)					
	407,700	Aditya Birla Fashion & Retail Ltd.	1,130,276	1,267,616	3.76%
	15,900	Bajaj Finance Ltd.	680,044	848,960	2.52%
	290,000	Crompton Greaves Consumer Electricals Ltd.	912,618	978,554	2.90%
	357,400	Edelweiss Financial Services Ltd.	1,497,065	880,797	2.61%
	162,000	Future Retail Ltd.	1,264,760	1,133,416	3.36%
	20,500	Indiabulls Ventures Ltd.	190,124	81,069	0.24%
	24,700	Info Edge India Ltd.	525,190	804,471	2.38%
	225,000	IRB Infrastructure Developers Ltd.	658,679	312,621	0.93%
	850,000	IRB InvIT Fund	1,197,540	804,296	2.38%
	155,000	Lemon Tree Hotels Ltd.	190,634	150,461	0.45%
	38,000	MakeMyTrip Ltd.	1,379,826	950,760	2.82%
	101,000	Phoenix Mills Ltd.	727,150	929,207	2.75%
	38,900	PVR Ltd.	222,921	942,330	2.79%
	34,000	Reliance Industries Ltd.	658,165	617,723	1.83%
	18,000	TCNS Clothing Co. Ltd.	176,029	213,873	0.63%
			11,411,021	10,916,154	32.35%
Indonesia (31 December 2018: 15.69%)					
	11,200,000	Ace Hardware Indonesia Tbk PT	981,094	1,434,932	4.25%
	6,360,000	Bank Tabungan Negara Persero Tbk PT	1,124,847	1,107,457	3.28%
	9,720,000	Ciputra Development Tbk PT	707,519	791,223	2.35%
	6,850,000	Selamat Sempurna Tbk PT	691,619	739,427	2.19%
	5,480,000	Surya Citra Media Tbk PT	793,810	624,512	1.85%
			4,298,889	4,697,551	13.92%
Pakistan (31 December 2018: 1.63%)					
	36,000	Indus Motor Co. Ltd.	424,083	260,917	0.78%
	191,000	Lucky Cement Ltd.	701,366	435,737	1.29%
	2,900,000	Pakistan Stock Exchange Ltd.	674,587	227,034	0.67%
			1,800,036	923,688	2.74%
Philippines (31 December 2018: 12.12%)					
	5,240,000	Bloomberry Resorts Corp.	1,253,981	1,155,694	3.43%
	30,560	Jollibee Foods Corp.	168,557	168,084	0.50%
	973,212	Philippine Seven Corp.	590,098	2,583,328	7.66%
	366,000	Robinsons Retail Holdings, Inc.	569,233	528,623	1.56%
	1,282,000	Wilcon Depot, Inc.	355,512	420,369	1.24%
			2,937,381	4,856,098	14.39%
Singapore (31 December 2018: 2.01%)					
	50,600	Sea Ltd.	802,288	1,708,762	5.06%
			802,288	1,708,762	5.06%
Sri Lanka (31 December 2018: 3.60%)					
	608,484	John Keells Holdings PLC	647,821	477,973	1.42%
			647,821	477,973	1.42%

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%)							
	1,286,346	FPT Corp.	1,162,871	2,511,909	7.45%		
	256,000	Ho Chi Minh City Securities Corp.	338,525	256,544	0.76%		
	582,346	Mobile World Investment Corp.	1,022,795	2,319,337	6.87%		
	750,000	Refrigeration Electrical Engineering Corp.	1,049,954	1,021,974	3.03%		
	77,700	Sai Gon Cargo Service Corp.	554,923	536,885	1.59%		
	317,550	Taseco Air Services JSC	725,068	872,222	2.59%		
	261,000	Vietnam Engine & Agricultural Machinery Corp.	440,946	647,445	1.92%		
	554,500	Vincom Retail JSC	858,692	804,365	2.38%		
			6,153,774	8,970,681	26.59%		
		Total Common Stock	28,051,210	32,550,907	96.47%		
Warrant (31 December 2018: 1.70%)							
Pakistan (31 December 2018: 1.70%)							
	67,000	Indus Motor Co. Ltd. 25/10/2021	985,167	485,596	1.44%		
			985,167	485,596	1.44%		
		Total Warrants	985,167	485,596	1.44%		
		Total Fair Value of Investments	29,036,377	33,036,503	97.91%		
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	13,280	USD	(9,811)	31/07/2019	Brown Brothers Harriman	9	0.00%
GBP	3,155,093	USD	(4,005,627)	31/07/2019	Brown Brothers Harriman	189	0.00%
SGD	618,990	USD	(457,224)	31/07/2019	Brown Brothers Harriman	525	0.00%
					Total unrealised gains on Forward Foreign Currency Contracts	723	0.00%
					Total Financial Assets at Fair Value through Profit or Loss	33,037,226	97.91%
GBP	4,542	USD	(5,768)	31/07/2019	Brown Brothers Harriman	(2)	(0.00%)
					Total unrealised losses on Forward Foreign Currency Contracts	(2)	(0.00%)
					Total Financial Liabilities at Fair Value through Profit or Loss	(2)	(0.00%)
						Value USD	% of Net Assets
					Cash	535,762	1.59%
					Other Net Assets	169,585	0.50%
					Net Assets Attributable to Holders of Redeemable Participating Shares	33,742,571	100.00%

BALANCE SHEET

	Notes	As at 30 June 2019 USD	As at 31 December 2018 USD
Assets			
Financial assets, at cost		29,036,377	33,121,718
Financial assets at fair value through profit or loss			
- Transferable securities		32,550,907	32,513,269
- Warrants		485,596	574,424
- Financial derivative instruments		723	62,181
Cash		535,762	943,146
Receivable for investments sold		337,633	32,662
Dividends receivable		15,894	3,184
Other assets		639	6,238
Total assets		33,927,154	34,135,104
Liabilities			
Financial liabilities at fair value through profit or loss			
- Financial derivative instruments		2	1,017
Payable for investments purchased		-	25,017
Redemptions payable		31,649	212,198
Investment management fees	2	36,865	41,764
Administration fees	3	14,440	12,714
Depositary fees	4	8,346	11,003
Directors' fees	5	6,797	-
Audit fees		8,902	6,316
Performance fees	2	2,256	2,154
Research fees	8	-	2,526
Professional fees		48,078	43,450
Other liabilities		27,248	209
Total liabilities		184,583	358,368
Net Assets Attributable to Holders of Redeemable Participating Shares		33,742,571	33,776,736

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

BALANCE SHEET (CONTINUED)

	Notes	As at 30 June 2019	As at 31 December 2018	As at 31 December 2017
Class A Dollar (Hedged) Non-Distributing Class				
Net Assets		USD 26,909,865	USD 27,154,520	USD 32,743,715
Outstanding Redeemable Participating Shares	1	173,453	192,995	186,848
Net Asset Value per Share		USD 155.14	USD 140.70	USD 175.24
Class B Dollar (Hedged) Distributing Class				
Net Assets		USD 251,175	USD 391,563	USD 11,704,100
Outstanding Redeemable Participating Shares	1	1,706	2,907	68,344
Net Asset Value per Share		USD 147.23	USD 134.70	USD 171.25
Class C Sterling (Hedged) Distributing Class				
Net Assets		GBP 3,234,824	GBP 2,988,022	GBP 3,879,403
Outstanding Redeemable Participating Shares	1	43,642	43,583	43,584
Net Asset Value per Share		GBP 74.12	GBP 68.56	GBP 89.01
Class D Singapore Dollar (Hedged) Distributing Class				
Net Assets		SGD 640,451	SGD 829,725	SGD 1,380,256
Outstanding Redeemable Participating Shares	1	3,221	4,538	5,867
Net Asset Value per Share		SGD 198.84	SGD 182.84	SGD 235.26
Class E Singapore Dollar (Hedged) Distributing Class				
Net Assets		SGD 2,140,453	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 148.71	SGD 134.80	SGD 162.17
Class U Sterling (Unhedged) Distributing Class				
Net Assets		GBP 335,354	GBP 320,151	GBP 1,912,388
Outstanding Redeemable Participating Shares	1	3,213	3,368	16,760
Net Asset Value per Share		GBP 104.37	GBP 95.06	GBP 114.10

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

PROFIT AND LOSS ACCOUNT

	Notes	For the period ended 30 June 2019 USD	For the period ended 30 June 2018 USD
Investment income			
Dividend income		462,772	620,495
Interest income		4,235	4,025
Miscellaneous income		9,700	8,608
Net realised (loss)/gain on financial assets and liabilities at fair value through profit or loss		(731,914)	1,855,300
Movement in net unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss		3,971,930	(7,508,985)
Total income/(loss)		3,716,723	(5,020,557)
Expenses			
Investment management fees	2	234,788	366,766
Administration fees	3	48,315	52,774
Depositary fees	4	23,400	41,330
Directors' fees	5	17,853	17,589
Audit fees		9,144	10,615
Professional fees		54,366	40,248
Research fees	8	11,885	–
Transaction costs		40,195	101,456
Other expenses		4,078	20,074
Total expenses		444,024	650,852
Net income/(expense) before finance costs		3,272,699	(5,671,409)
Finance costs			
Overdraft interest		(24)	(423)
Distributions paid		(47,076)	(141,445)
Indian capital gains tax		(26,059)	(15,465)
Total finance costs		(73,159)	(157,333)
Withholding tax on dividends		(28,004)	(35,330)
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations		3,171,536	(5,864,072)

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

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

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

	Notes	For the period ended 30 June 2019 USD	For the period ended 30 June 2018 USD
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations		3,171,536	(5,864,072)
Capital Share Transactions of Redeemable Participating Shares			
Proceeds from issuance of Redeemable Participating Shares	1	84,336	3,340,605
Payments on redemption of Redeemable Participating Shares	1	(3,290,037)	(13,350,617)
Net decrease from Capital Share Transactions of Redeemable Participating Shares		<u>(3,205,701)</u>	<u>(10,010,012)</u>
Change in Net Assets Attributable to Holders of Redeemable Participating Shares		(34,165)	(15,874,084)
Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the period		33,776,736	55,024,050
Net Assets Attributable to Holders of Redeemable Participating Shares at the end of the period		<u>33,742,571</u>	<u>39,149,966</u>

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Act 2014 and the Central Bank (Supervision and Enforcement) Act 2013 (section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 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 10 and 11, 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 held for trading by the Company at the period 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 period generally established by regulation or convention in the market place.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(iii) Derecognition

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

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

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

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

(iv) Initial Measurement

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

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

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

(v) Subsequent Measurement

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

Cash and other Liquid Assets

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

Derivative Instruments

Derivative instruments traded on a regulated market shall be valued at the settlement price as determined by the market. If the settlement price is not available, the value shall be the probable realisation value estimated with care and in good faith by (i) the Directors or the Investment Manager or (ii) a competent person, firm or corporation selected by the Directors and approved for the purpose by the Depositary or (iii) any other means provided that the value is approved by a competent person (such competent person having been appointed by the Directors and approved for the purpose by the Depositary). Derivative contracts which are not traded on a regulated market including without limitation swap contracts will be valued on the basis of a quotation provided daily by the relevant counterparty and verified or approved at least weekly by a party independent of the counterparty, including the Investment Manager, or another independent party which is approved for such purpose by the Depositary. Apart from forward foreign currency contracts as at 30 June 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 30 June 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 30 June 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 30 June 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 period ended 30 June 2019 were USD 47,076 (USD 141,445: 30 June 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 period ended 30 June 2019:

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

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

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

Foreign Exchange Translation

Functional and Presentation Currency

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

Transactions and Balances

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

Investment Transactions and Investment Income

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

Interest Income and Interest Expenses

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

Dividend Income

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 period. 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 period ended 30 June 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 period	192,995	2,907	43,583
Redeemable Participating Shares issued	–	8	372
Redeemable Participating Shares redeemed	(19,542)	(1,209)	(313)
At the end of the period	173,453	1,706	43,642

	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 period	4,538	14,215	3,368
Redeemable Participating Shares issued	1	465	1
Redeemable Participating Shares redeemed	(1,318)	(287)	(156)
At the end of the period	3,221	14,393	3,213

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Share Capital (continued)

Redeemable Participating Shares (continued)

The movement in the number of redeemable participating shares for the period ended 30 June 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 period	186,848	68,344	43,584
Redeemable Participating Shares issued	17,942	589	268
Redeemable Participating Shares redeemed	(5,565)	(64,925)	(775)
At the end of the period	199,225	4,008	43,077

	Class D Singapore Dollar (Hedged) Distributing Class Shares	Class E Singapore Dollar (Hedged) Distributing Class Shares	Class U Sterling (Unhedged) Distributing Class Shares
At the beginning of the period	5,867	14,215	16,760
Redeemable Participating Shares issued	2	–	–
Redeemable Participating Shares redeemed	(410)	–	(9,961)
At the end of the period	5,459	14,215	6,799

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

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

2. Investment Management Fees

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

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

The Investment Manager earned a fee of USD 234,788 during the period ended 30 June 2019 (USD 366,766: 30 June 2018), of which USD 36,865 is outstanding at the period 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 period ended 30 June 2019 (USD Nil: 30 June 2018), which includes USD Nil due to the issuance of redeemable participating shares in exchange for cancellation of performance fee equalisation credits (USD Nil: 30 June 2018). The performance fee outstanding at the end of the period was USD 2,256 (USD 2,154: 31 December 2018).

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 48,315 during the period ended 30 June 2019 (USD 52,774: 30 June 2018), of which USD 14,440 is outstanding at the period end (USD 12,714: 31 December 2018).

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Depositary Fees (continued)

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

The Depositary earned a fee of USD 23,400 during the period ended 30 June 2019 (USD 41,330: 30 June 2018), of which USD 8,346 is outstanding at the period 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 earned fees of USD 17,853 during the period ended 30 June 2019 (USD 17,589: 30 June 2018), of which USD 6,797 is outstanding at the period end (USD Nil: 31 December 2018).

6. Related Parties

Directors

Heather Manners, a Director of the Company, is Chief Investment Officer of the Investment Manager and has not been paid a director's fee for the period ended 30 June 2019 and the year ended 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 period ended 30 June 2019 and the year ended 31 December 2018.

The following Directors and related parties held Shares in the Company as at 30 June 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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Taxation

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

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

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

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

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

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

8. Payment for Research

During the periods ended 30 June 2018 and 2019, the Investment Manager entered into arrangements with brokers/dealers in respect of which certain research services used to support the investment decision process were received and paid for with part of the commissions paid by the Company on its investment transactions.

During the period ended 30 June 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 11,885 during the period ended (USD Nil: 30 June 2018), of which USD Nil is outstanding at the period 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 full service brokerage rates.

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

9. Efficient Portfolio Management

During the period ended 30 June 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)

10. Exchange Rates

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

	30 June 2019	31 December 2018
Australian Dollar	–	1.4174
British Pound Sterling	0.7888	0.7849
Euro	–	0.8734
Hong Kong Dollar	–	7.8323
Indian Rupee	69.0213	69.8150
Indonesian Rupiah	14,127.5000	–
Malaysian Ringgit	–	4.1325
Pakistan Rupee	163.5000	138.8000
Philippine Peso	51.2350	52.5850
Singapore Dollar	1.3530	1.3623
South Korean Won	–	1,115.8000
Sri Lankan Rupee	176.4450	182.8500
Taiwan Dollar	–	30.7370
Vietnamese Dong	23,300.5000	23,195.0000

11. Financial Risk Management

Fair Value Estimation

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

The fair value hierarchy has the following levels:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Financial Risk Management (continued)

Fair Value Estimation (continued)

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

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

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

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following table provides an analysis within the fair value hierarchy of the Company's financial assets and liabilities measured at fair value at 30 June 2019 and 31 December 2018:

As at 30 June 2019

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial Assets at Fair Value Through Profit or Loss				
Common Stock	32,550,907	–	–	32,550,907
Warrants	–	485,596	–	485,596
Forward Foreign Currency Contracts	–	723	–	723
Total Financial Assets at Fair Value Through Profit or Loss	32,550,907	486,319	–	33,037,226
Financial Liabilities at Fair Value Through Profit or Loss				
Forward Foreign Currency Contracts	–	(2)	–	(2)
Total Financial Liabilities at Fair Value Through Profit or Loss	–	(2)	–	(2)

As at 31 December 2018

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial Assets at Fair Value Through Profit or Loss				
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)

There were no transfers between levels for the investments held at 30 June 2019 and 31 December 2018.

The Fund held no Level 3 investments as at the period ended 30 June 2019 (Nil: 31 December 2018).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Portfolio Analysis

As at 30 June 2019	Market Value USD	% of Total Assets
Transferable securities admitted to an official exchange listing	32,550,907	95.95
Other securities	485,596	1.43
Financial derivative instruments (Forward Foreign Currency Contracts)	721	0.00
Net financial assets at fair value through profit or loss	33,037,224	97.38

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

13. Comparatives

The comparative figures are for the period ended 30 June 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.

14. Significant Events during the Period

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

15. Events since the Period End

With effective date of 1 August 2019, the Company will change its name from Prusik Asian Smaller Companies Fund plc to Prusik Asia Emerging Opportunities Fund plc. In addition, the performance fee will be forfeited, and management fees will be reduced to a maximum fee of 1.2% per annum of the NAV of the Company.

After 1 August 2019, the Administrator will determine the NAV per Share of each Class of the Company every business day.

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

16. Approval of Financial Statements

The unaudited financial statements were approved by the Board of Directors on 23 August 2019.

STATEMENT OF SIGNIFICANT CHANGES IN THE COMPOSITION OF PORTFOLIO

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

Total Purchases for the period ended 30 June 2019*

Security Description	Acquisitions Nominal	Cost USD
Ciputra Development Tbk PT	9,720,000	706,890
Lucky Cement Ltd.	191,000	699,806
Bajaj Finance Ltd.	15,900	678,804
Reliance Industries Ltd.	34,000	656,966
Wilcon Depot, Inc.	1,282,000	355,130
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 period ended 30 June 2019 there were only 9 purchases.

Total Sales for the period ended 30 June 2019*

Security Description	Disposals Nominal	Proceeds USD
Muhibbah Engineering M Bhd.	1,800,000	1,286,079
Sarana Menara Nusantara Tbk PT	21,357,500	1,115,456
Taseco Air Services JSC	234,500	629,138
Ace Hardware Indonesia Tbk PT	4,700,000	558,274
Finolex Industries Ltd.	75,000	498,209
Dialog Axiata PLC	6,700,000	365,594
Vietnam Engine & Agricultural Machinery Corp.	137,000	338,649
Sea Ltd.	10,400	334,221
Crompton Greaves Consumer Electricals Ltd.	95,000	272,156
Power Construction JSC No.1	188,002	188,308
Bloomerry Resorts Corp.	760,000	173,729
Aditya Birla Fashion & Retail Ltd.	58,300	171,645
Phoenix Mills Ltd.	21,000	171,330
Bank Tabungan Negara Persero Tbk PT	940,000	169,060
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
Surya Citra Media Tbk PT	820,000	101,166

*During the period ended 30 June 2019 there were only 19 sales.

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 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