PRUSIK ASIA 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 2017

Registered Number: 407740

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GENERAL INFORMATION

Prusik Asia Fund plc (the "Company") is a public limited liability investment company with variable capital, incorporated on 7 September 2005 in Ireland pursuant to Part 24 of the Companies Act 2014 and authorized by the Central Bank of Ireland (the "Central Bank") under the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015, as amended (S.I. No. 420 of 2015) (the "Central Bank UCITS Regulations").

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

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

The Company commenced trading on 7 October 2005. There are six share classes available to investors in the Company:

- Class A Dollar Non-Distributing Class (first issued on 7 October 2005)
- Class B Dollar Distributing Class (first issued on 7 October 2005)
- Class C Sterling Distributing Class (first issued on 14 July 2006)
- Class D Singapore Dollar Distributing Class (first issued on 22 December 2009)
- Class E Singapore Dollar Distributing Class (first issued on 21 September 2011)
- Class U Sterling (Unhedged) Distributing Class (first issued on 1 July 2013)

Brown Brothers Harriman Fund Administration Services (Ireland) Limited (the "Administrator") determines the Net Asset Value ("NAV") per Share of each Class of the Company daily ("Dealing Day"). The valuation point is 11.00 am (Irish time) on each Dealing Day.

The most recent Prospectus of the Company is dated 25 May 2017.

Investment Objective

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

In pursuit of its investment objective the Company invests in companies operating in Asia including Australia, New Zealand, Hong Kong, Taiwan, South Korea, China, India, Sri Lanka, Pakistan, Thailand, Indonesia, Malaysia, Singapore, Vietnam and the Philippines and generally seeks to invest, on average, in companies which have a price to book value ratio and price/earnings ratio below the level then prevailing in the market of that sector. The Company pursues its investment objective primarily by taking long positions in publicly traded common stocks and other equity securities of Asian issuers.

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 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 (rated BB- or higher by Standard & Poor's/ Moody's) or non-investment grade.

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 principally be of investment grade.

GENERAL INFORMATION (CONTINUED)

Investment Objective (continued)

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

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

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

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

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

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

DIRECTORS' REPORT

The Directors have pleasure in submitting their annual report together with the audited financial statements for Prusik Asia Fund plc (the "Company" or the "Fund") for the financial year ended 31 December 2017.

Directors' Responsibility Statement

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

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

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

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

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

Accounting Records

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

Directors' Compliance Statement

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

Statement of Relevant Audit Information

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

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

DIRECTORS' REPORT (CONTINUED)

Directors

The names of the persons who were Directors at any time during the year to 31 December 2017 are set out below.

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

Directors' and Secretary's Interests

The following Directors and their Family members held Shares in the Company as at 31 December 2017:

Heather Manners	11,966	Class E Singapore Dollar Distributing Class
David Hammond (Family members)	835	Class A Dollar Non-Distributing Class
Richard Hayes	1,262	Class E Singapore Dollar Distributing Class
Tony Morris	3000	Class E Singapore Dollar Distributing Class
Tony Morris (Family members)	98	Class U Sterling Unhedged 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 2017 or during the year.

Audit Committee

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

Connected Parties

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

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

Results, Activities and Future Developments

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

Details of the assets, liabilities and financial position of the Company and results for the year ended 31 December 2017 are set out on pages 18 to 20. The Net Assets Attributable to Holders of Redeemable Participating Shares as at 31 December 2017 was US Dollar ("USD") 107,213,042 (USD 58,215,944: 31 December 2016). 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"). There were no distributions paid during the year ended 31 December 2017 (USD Nil: 31 December 2016).

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 and how they are monitored, and where possible, managed by the Company, are set out in Note 13 "Financial Risk Management" on pages 33 to 38.

Independent Auditors

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

Events during the Year

The Company's Prospectus has been updated on 25 May 2017. Effective from 25 May 2017, the depositary fee changed from 0.02% to 0.023% of the NAV of the Fund, and the minimum charge payable monthly in arrears changed from USD 36,000 to USD 18,000 per Fund per annum. There were no other significant updates in the Prospectus.

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

Events since the Year End

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

Corporate Governance Statement

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

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

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

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board may also examine and evaluate the Administrator's financial accounting and reporting routines while the Administrator has the responsibility in respect of monitoring the internal controls in relation to the financial reporting process.

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

Corporate Governance Statement (continued)

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

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

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

Capital Structure
No person has any special rights of control over the Company's share capital.

There are no restrictions on voting rights.

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

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

Each of the Shares entitles the holder to attend and vote at meetings of the Company represented by those Shares. Matters may be determined by a meeting of Shareholders on a show of hands unless a poll is requested by any Shareholder having the right to vote at the meeting or unless the chairman of the meeting requests a poll. Each Shareholder has one vote on a show of hands. Each Share gives the holder one vote in relation to any matters relating to the Company which are submitted to Shareholders for a vote by poll.

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

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

DIRECTORS' REPORT (CONTINUED)

Corporate Governance Statement (continued)

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

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

Composition and Operation of Board and Committees
There are currently three Directors and one alternate Director, all of whom are Non-Executive Directors and two of whom are independent of the Investment Manager as required by the Irish Stock Exchange Listing Rules for investment funds. The Directors may be removed by the shareholders by ordinary resolution in accordance with the procedures established under the Companies Act 2014. The Board meets at least quarterly. There are no sub-committees of the Board.

On behalf of the Board of Directors

Richard Hayes
Director
16 April 2018

David Hammond
Director

INVESTMENT MANAGER'S REPORT

Prusik Asia Fund Annual report December 2017

In sterling terms, over 2017, the fund rose a total of 38.3% which is 12.9% ahead of the M2APJ index which rose 25.4% over the same period.

2017 Summary

Looking at the year as a whole, the best performing themes in terms of return on capital invested in 2017 were the internet, Vietnam and artificial intelligence / virtual reality. As well as these top 3 performing themes, financialisation, local brands, healthcare and leisure / tourism generated a return on capital which was above the index return. Around 84% of the portfolio was invested in these outperforming themes during the year.
During the year, we exited the clean energy theme and initiated three new themes towards the end of the year – healthcare, energy and 5G.

Our outperforming themes in 2017 were as follows:

Internet: 10.2% average weighting in 2017
Our internet theme returned 91.2% in 2017, led by China social network/online games giant, **Tencent**. Very high EPS growth was witnessed throughout the year with our stocks seeing EPS up 40-150% year on year each quarter.

Vietnam: 16.2% average weighting in 2017
The Vietnam theme returned 77.7% in 2017, led by branded jewellery retailer, **Phu Nhuan Jewelry**. We have recently exited our holdings in financials **Saigon Securities** and **VNDirect**, after very strong performance in 2017.

Artificial Intelligence / Virtual Reality: 21.6% average weighting in 2017
The artificial intelligence / virtual reality theme saw a 61.7% return in 2017. China voice recognition technology leader, **iFlytek**, and image recognition technology leader, **Hikvision**, led the way.

Financialisation: 23.6% average weighting in 2017
The financialisation theme saw a 52.8% return in 2017. China insurers, **China Taiping** and **Ping An**, plus Indian mortgage financing company, **Indiabulls** were particularly strong.

Only **infrastructure** which had a **15.8% average weighting in 3Q17** and returned 23.2% in 2017, and **clean energy** which had a **1.2% average weighting** and returned 3.8% in 2017, performed less well than the Asia index.

The thematic highlights and changes made over the year included our ongoing commitment to our demographic growth theme including adding to our financialisation and infrastructure themes in Pakistan, Vietnam and India during the year. We also initiated a few new themes including the artificial intelligence theme in 1Q17 and the 5G capex theme in 3Q17. We also increased exposure to our financialisation theme via acquiring leading Chinese brokers in 3Q17.

Towards the end of the year, we initiated a new healthcare-tech theme including our first exposure to commercial 3D printing in replacement joints, in addition to starting a new theme in the energy sector, focussing on oil and gas as China demand creates shortages in both. We have also recently upgraded our financialisation theme in Vietnam towards retail banking and mortgage lending, selling our positions in leading brokers after a strong year and buying new listing **HD Bank.**

2017 Performance by Geography and Stocks

For absolute attribution by geography, China was the biggest contributor to performance in 2017 followed by Vietnam and South Korea. Pakistan and Thailand were a drag on performance both heavily weighed by politics. In Pakistan the PM was ousted without an immediate and satisfactory solution, whilst Thailand was subject to only modest growth in a year of mourning, after the sad demise of HM the King of Thailand.

2017 Performance by Geography and Stocks (continued)

From a stock perspective, the top contributors to performance were internet gaming giant **Tencent, Samsung Electronics** and Indian mortgage financing company, **Indiabulls** as well as Chinese AI company, **Hangzhou Hikvision.** The biggest detractors were **Habib Bank, United Bank,** both in Pakistan, and **Sino Thai Engineering.**

Review and Outlook

2017 generated some extraordinary returns for a surprisingly narrow number of companies in Asia, frustrating anyone who was underweight the region and even some who were already invested, but more defensively. It was also a year where smaller companies, in general, remained on the side-lines.

Importantly, 2017 performance also challenges a widespread cognitive and emotional bias that China (and hence the region) is to be avoided, a viewpoint which remains prevalent outside of the region even after the country announced 2017 GDP growth above expectations of 6.9% and delivered a strong year of equity performance.

Whilst we do not consider ourselves to be macro experts in any way we believe there are possibly other widespread biases which may also be challenged this year. These include that the oil price will remain low and that inflation is not a risk. There is also still widespread scepticism that the cycle does not exist, so the growth recovery may not be fully digested by investors. These elements, plus the bias against China's transformation, and hence domestic growth, are all to some extent interlinked.

Firstly, the key debate this year is whether China can repeat such a strong year of growth or whether this is a year for the government to rein in growth and focus on debt repayment. We think it is most likely that we will fall somewhere between the two, with the chosen government areas for development doing well, whilst new debt is increasingly bought back onto banks' balance sheets. However, we would caution that whatever growth China posts in 2018, higher or lower than 2017, we do think that China has changed its internal landscape for pricing going forward and that the years of overcapacity and oversupply are now gone. At the same time, this signals the end of an era in which China exports deflation. In the future we are more likely to see China exporting inflation.

We have been pointing out China's dramatic supply side reform for several quarters now and it is plain to see that China has successfully consolidated many key industries including its coal and steel industries. The recent rises in coal and steel prices, globally, bear witness to this: in fact, the supply-demand balance may even have become too tight.

In addition, China's increasing secular labour shortage is becoming more apparent as evidenced by continuing wage increases. This is creating further inflationary pressures both from a wage-driven cost perspective and from a demand-led perspective as spending power grows. In short, inflationary forces in China are gathering momentum.

Viewed in this context, it is perhaps less surprising that in recent weeks we have seen China raise pork prices by 8%, air travel by 10% and premium liquor by 18%. With real interest rates now hovering close to zero or negative, which could spur a new mobilization of savings domestically, we do not expect these inflationary pressures in China to ease any time soon. Higher inflation in China will affect a portion of the global inflation basket - some estimates suggest by around 13% - which is not insignificant.

Oil is another area where there exists a strong cognitive and emotional bias. We have written more below on oil and believe that China's demand for oil will rise faster than expected before electric vehicles are numerous enough to compensate or supply can properly respond. Whilst we do not expect this to get totally out of hand, one risk for this year is that oil is an even bigger problem for inflation numbers, globally, than China's export prices.

To summarise, China's economy is currently strong, supply side reform is kicking in and domestic wages, profitability and ultimately prices are rising. Oil demand, in our view, is likely to surprise on the upside in this environment. Zero or negative real rates may spur more consumption.

INVESTMENT MANAGER'S REPORT (CONTINUED)

Review and Outlook (continued)

Outside of China we will experience rising prices for key goods whether they were manufactured in China or we are simply just competing with demand from China. China's tendency for dumping cheap goods is a thing of the past. All in all, inflation is not something we are likely to be able to ignore in 2018.

In this environment, it is likely that some of the best performance will be seen from sectors we have not invested in for a decade such as coal, metals, shipping, energy, food and Chinese banks. Indeed, this year, possibly the biggest challenge will be to overcome a decade old preconception that only recognizes investing in 'quality defensives' and expects no cycle. If the above trend continues, we will also see a dramatic shift towards reflation markets such as Asia and Emerging Markets. We are still at the very beginning of this huge turnaround in some very long term trends.

Prusik Investment Management LLP
16 April 2018

REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS

We have enquired into the conduct of Prusik Asia Fund plc (the "Company") for the year ended 31 December 2017, in our capacity as Depositary to the Company.

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

Responsibilities of the Depositary

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

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

Basis of Depositary Opinion

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

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

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

Opinion

In our opinion, the Company has been managed during the year, in all material respects:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association, the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015, as amended ("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

16 April 2018

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

Opinion

We have audited the financial statements of Prusik Asia Fund Plc ('the Company') for the year ended 31 December 2017, 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 2017 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.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

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

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

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

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

Matters on which we are required to report by exception

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

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

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

Respective responsibilities

Responsibilities of directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

This description forms part of our auditor's report.

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

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

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

Dublin

23 April 2018

SCHEDULE OF INVESTMENTS

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock (31 December 2016: 88.00%)					
Australia (31 December 2016: 5.11%)					
	27,000	Macquarie Group Ltd.	1,693,829	2,103,184	1.96%
	165,000	Treasury Wine Estates Ltd.	1,002,979	2,058,924	1.92%
			2,696,808	4,162,108	3.88%
China (31 December 2016: 21.36%)					
	5,456,000	AK Medical Holdings Ltd.	1,463,093	2,121,871	1.98%
	15,000	Alibaba Group Holding Ltd.	1,524,364	2,584,500	2.41%
	1,670,000	Beijing Capital International Airport Co. Ltd.	1,250,270	2,516,708	2.35%
	89	China Literature Ltd.	634	951	0.00%
	780,000	CITIC Securities Co. Ltd.	1,812,452	1,608,535	1.50%
	1,050,000	Hua Hong Semiconductor Ltd.	1,990,905	2,227,126	2.08%
	790,000	Huatai Securities Co. Ltd.	1,828,662	1,572,562	1.47%
	5,400,000	PetroChina Co. Ltd.	3,763,924	3,764,968	3.51%
	428,000	Ping An Insurance Group Co. of China Ltd.	1,788,886	4,454,227	4.15%
	20,000	SINA Corp./China	1,161,939	2,052,000	1.91%
	59,400	Tencent Holdings Ltd.	981,391	3,085,201	2.88%
	4,000	Weibo Corp.	171,804	417,320	0.39%
	830,000	YiChang HEC ChangJiang Pharmaceutical Co. Ltd.	2,826,013	2,909,375	2.71%
	460,000	ZTE Corp.	1,708,809	1,727,177	1.61%
			22,273,146	31,042,521	28.95%
Hong Kong (31 December 2016: 10.03%)					
	320,000	AIA Group Ltd.	1,822,659	2,728,482	2.54%
	780,000	China Taiping Insurance Holdings Co. Ltd.	2,974,853	2,923,703	2.73%
	1,100,000	Haier Electronics Group Co. Ltd.	1,831,381	3,011,462	2.81%
			6,628,893	8,663,647	8.08%
India (31 December 2016: 2.30%)					
	240,000	Godrej Properties Ltd.	2,063,778	2,607,653	2.43%
	300,000	ICICI Prudential Life Insurance Co. Ltd./India	2,050,012	1,800,165	1.68%
	144,000	Indiabulls Housing Finance Ltd.	1,675,421	2,691,504	2.51%
			5,789,211	7,099,322	6.62%
Indonesia (31 December 2016: 0.00%)					
	3,400,000	Bank Mandiri Persero Tbk PT	1,714,387	2,004,791	1.87%
	3,600,000	Bank Negara Indonesia Persero Tbk PT	1,600,902	2,626,866	2.45%
			3,315,289	4,631,657	4.32%
Malaysia (31 December 2016: 0.00%)					
	5,000,000	Econpile Holdings Bhd.	1,009,757	1,494,934	1.40%
	4,000,000	Sunway Construction Group Bhd.	1,876,630	2,480,850	2.31%
			2,886,387	3,975,784	3.71%
South Korea (31 December 2016: 10.20%)					
	18,000	Com2uS Corp.	1,797,214	2,288,356	2.13%
	1,400	Samsung Electronics Co. Ltd.	2,020,416	3,332,119	3.11%
			3,817,630	5,620,475	5.24%

SCHEDULE OF INVESTMENTS (CONTINUED)

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock (31 December 2016: 88.00%) (continued)					
Taiwan (31 December 2016: 11.77%)					
	704,000	Hon Hai Precision Industry Co. Ltd.	1,857,140	2,252,157	2.10%
	320,000	Taiwan Semiconductor Manufacturing Co. Ltd.	1,688,976	2,467,866	2.30%
	260,000	Win Semiconductors Corp.	1,837,486	2,472,571	2.31%
			5,383,602	7,192,594	6.71%
Thailand (31 December 2016: 4.26%)					
	103,000	Siam Cement PCL	1,500,137	1,548,635	1.45%
			1,500,137	1,548,635	1.45%
Vietnam (31 December 2016: 20.32%)					
	610,000	Phu Nhuan Jewelry JSC	740,775	3,680,039	3.43%
	471,778	Vietnam Dairy Products JSC	1,885,904	4,333,651	4.04%
	1,019,812	Vingroup JSC	1,344,514	3,471,376	3.24%
			3,971,193	11,485,066	10.71%
		Total Common Stock	**58,262,296**	**85,421,809**	**79.67%**
Warrant (31 December 2016: 7.72%)					
China (31 December 2016: 2.23%)					
	21,955	Kweichow Moutai Co. Ltd. 21/12/2018	2,280,761	2,348,261	2.19%
	761,920	Zhengzhou Yutong Bus Co. Ltd. 01/06/2018	2,650,328	2,817,419	2.63%
			4,931,089	5,165,680	4.82%
Luxembourg (31 December 2016: 0.00%)					
	150,028	Societe Generale SA 21/08/2018	1,180,358	1,362,509	1.27%
			1,180,358	1,362,509	1.27%
Malaysia (31 December 2016: 0.00%)					
	1,000,000	Econpile Holdings Bhd. 02/01/2023	50,488	–	0.00%
			50,488	–	0.00%
Pakistan (31 December 2016: 5.49%)					
	750,000	Habib Bank Ltd. 01/11/2021	1,736,670	1,135,025	1.06%
	750,000	United Bank Ltd. 12/01/2022	1,829,576	1,277,753	1.19%
			3,566,246	2,412,778	2.25%
Switzerland (31 December 2016: 0.00%)					
	705,000	Credit Suis AG/Nassau 24/02/2022	1,965,365	4,222,205	3.94%
			1,965,365	4,222,205	3.94%
		Total Warrants	**11,693,546**	**13,163,172**	**12.28%**
		Total Fair Value of Investments	69,955,842	98,584,981	91.95%

SCHEDULE OF INVESTMENTS (CONTINUED)

Forward Foreign Currency Contracts (31 December 2016: (0.04%))

Currency Bought	Amount Bought	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss)	% of Net Assets
GBP	88	USD	(118)	30/01/2018	Brown Brothers Harriman	1	0.00%
GBP	62	USD	(83)	02/01/2018	Brown Brothers Harriman	1	0.00%
GBP	166	USD	(223)	02/01/2018	Brown Brothers Harriman	2	0.00%
GBP	10,056	USD	(13,472)	02/01/2018	Brown Brothers Harriman	100	0.00%
SGD	920,429	USD	(680,730)	30/01/2018	Brown Brothers Harriman	8,610	0.01%
GBP	699,243	USD	(935,505)	30/01/2018	Brown Brothers Harriman	9,143	0.01%
	Total unrealised gains on Forward Foreign Currency Contracts					**17,857**	**0.02%**
	Total Financial Assets at Fair Value through Profit or Loss					**98,602,838**	**91.97%**
USD	935	GBP	(698)	02/01/2018	Brown Brothers Harriman	(7)	0.00%
USD	4,164	GBP	(3,108)	02/01/2018	Brown Brothers Harriman	(31)	0.00%
USD	3,961	SGD	(5,356)	30/01/2018	Brown Brothers Harriman	(51)	0.00%
	Total unrealised losses on Forward Foreign Currency Contracts					**(89)**	**0.00%**
	Total Financial Liabilities at Fair Value through Profit or Loss					**(89)**	**0.00%**

	Value USD	% of Net Assets
Cash	9,086,871	8.47%
Other Net Liabilities	(476,578)	(0.44%)
Net Assets Attributable to Holders of Redeemable Participating Shares	**107,213,042**	**100.00%**

BALANCE SHEET

		As at 31 December 2017 USD	As at 31 December 2016 USD
Assets			
Financial assets, at cost		69,955,842	52,855,920
Financial assets at fair value through profit or loss			
- Transferable securities		85,421,809	51,227,386
- Warrants		13,163,172	4,492,987
- Financial derivative instruments		17,857	–
Cash	8	9,086,871	356,976
Dividends receivable		110,083	25,080
Subscriptions receivable		88,576	2,326,424
Other assets		27	–
Total assets		**107,888,395**	**58,428,853**
Liabilities			
Financial liabilities at fair value through profit or loss			
- Financial derivative instruments		89	20,404
Bank overdraft	8	7,413	7,148
Redemptions payable		18,490	–
Investment management fees	2	81,859	48,097
Administration fees	3	16,119	24,183
Depositary fees	4	17,047	22,006
Directors' fees	5	11,463	20,894
Audit fees	6	21,354	8,529
Performance fees	2	284,571	212
Professional fees		91,554	58,757
Other liabilities		125,394	2,679
Total liabilities		**675,353**	**212,909**
Net Assets Attributable to Holders of Redeemable Participating Shares		**107,213,042**	**58,215,944**

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

BALANCE SHEET (CONTINUED)

	Notes	As at 31 December 2017	As at 31 December 2016	As at 31 December 2015
Class A Dollar Non-Distributing Class				
Net Assets		USD 6,408,625	USD 4,621,466	USD 5,708,314
Outstanding Redeemable Participating Shares	1	23,399	24,603	29,178
Net Asset Value per Share		USD 273.88	USD 187.84	USD 195.64
Class B Dollar Distributing Class				
Net Assets		USD 1,240,962	USD 871,774	USD 1,282,991
Outstanding Redeemable Participating Shares	1	4,528	4,638	6,554
Net Asset Value per Share		USD 274.06	USD 187.96	USD 195.76
Class C Sterling Distributing Class				
Net Assets		GBP 720,986	GBP 553,306	GBP 583,152
Outstanding Redeemable Participating Shares	1	4,848	5,338	5,409
Net Asset Value per Share		GBP 148.72	GBP 103.65	GBP 107.81
Class D Singapore Dollar Distributing Class				
Net Assets		SGD 942,489	SGD 720,531	SGD 847,239
Outstanding Redeemable Participating Shares	1	2,490	2,750	3,110
Net Asset Value per Share		SGD 378.51	SGD 262.01	SGD 272.40
Class E Singapore Dollar Distributing Class				
Net Assets		SGD 5,417,683	SGD 3,801,301	SGD 3,816,537
Outstanding Redeemable Participating Shares	1	24,037	23,904	23,904
Net Asset Value per Share		SGD 225.39	SGD 159.02	SGD 159.66
Class U Sterling Unhedged Distributing Class				
Net Assets		GBP 69,518,428	GBP 39,761,764	GBP 35,684,220
Outstanding Redeemable Participating Shares	1	376,994	298,159	310,953
Net Asset Value per Share		GBP 184.40	GBP 133.36	GBP 114.76

For and on behalf of the Board of Directors of Prusik Asia Fund plc

Richard Hayes
Director
16 April 2018

David Hammond
Director

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

PROFIT AND LOSS ACCOUNT

	Notes	For the year ended 31 December 2017 USD	For the year ended 31 December 2016 USD
Investment income			
Dividend income		1,515,989	1,072,787
Interest income		14,613	2,976
Miscellaneous income		14,480	17,383
Net realised gain on financial assets and liabilities at fair value through profit or loss		7,534,620	2,199,907
Movement in net unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss		25,676,489	(4,586,741)
Total income/(loss)		**34,756,191**	**(1,293,688)**
Expenses			
Investment management fees	2	809,968	599,713
Administration fees	3	102,005	100,257
Depositary fees	4	75,744	71,660
Directors' fees	5	25,016	45,874
Audit fees	6	21,057	21,371
Professional fees		117,407	114,178
Performance fees	2	290,385	338
Transaction costs		271,298	275,367
Other expenses		5,208	6,693
Total expenses		**1,718,088**	**1,235,451**
Net income/(expense) before finance costs		**33,038,103**	**(2,529,139)**
Finance costs			
Overdraft interest		(783)	(819)
Total finance costs		**(783)**	**(819)**
Withholding tax on dividends		(108,388)	(39,241)
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations		**32,928,932**	**(2,569,199)**

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

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

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

	Notes	For the year ended 31 December 2017 USD	For the year ended 31 December 2016 USD
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations		32,928,932	(2,569,199)
Capital Share Transactions of Redeemable Participating Shares			
Proceeds from issuance of Redeemable Participating Shares	1	22,620,144	11,715,665
Payments on redemption of Redeemable Participating Shares	1	(6,553,182)	(14,954,696)
Issuance of Redeemable Participating Shares in exchange for cancellation of performance fee equalization credits	2	1,204	91
Net increase/(decrease) from Capital Share Transactions of Redeemable Participating Shares		16,068,166	(3,238,940)
Change in Net Assets Attributable to Holders of Redeemable Participating Shares		48,997,098	(5,808,139)
Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the year		58,215,944	64,024,083
Net Assets Attributable to Holders of Redeemable Participating Shares at the end of the year		**107,213,042**	**58,215,944**

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Act 2014 and the Central Bank (Supervision and Enforcement) Act 2013 (section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (S.I. No. 420 of 2015), as amended (the "Central Bank UCITS Regulations"). The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention, as modified by the reduction of financial assets and financial liabilities at fair value through profit or loss, and they comply with accounting standards issued by the Financial Reporting Council, 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 20 and 21, respectively.

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

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

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

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

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

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

Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss are included in the Profit and Loss Account in the year 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 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 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 exchange contracts, as at 31 December 2017 and 31 December 2016, the Company did not hold any derivative instruments.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Forward Foreign Currency Contracts
Forward foreign currency contracts shall be valued in the same manner as derivatives contracts which are not traded in a regulated market or by reference to the price at the Valuation Point at which new forward contracts of the same size and maturity could be undertaken. The forward foreign currency contracts held by the Company as at 31 December 2017, 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
Units in collective investment schemes shall be valued at the latest available net asset value per unit or bid price as published by the relevant collective investment scheme or, if traded on a Recognised Exchange, in accordance with listed securities above. As at 31 December 2017 and 31 December 2016 the Company did not hold any collective investment schemes units.

Warrants
The Company may invest in warrants. Warrants which are fully paid up and have a zero strike price exhibit the identical risk and return characteristics as in the case where the Company had acquired the underlying equity directly. Such warrants are valued at the last traded price for the underlying equity quoted on the stock exchange or principal market on which it is listed. The warrants held by the Company as at 31 December 2017 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 had previously been registered as having distributor status for the year ended 31 December 2009). The Directors, at their discretion, can propose to distribute any of the net investment income of the Class B Dollar Distributing Class, the Class C Sterling Distributing Class, the Class D Singapore Dollar Distributing Class, the Class E Singapore Dollar Distributing Class and the Class U Sterling (Unhedged) Distributing Class of the Company. In the event that a dividend is paid it will be paid out of the net investment income and/or net realised and unrealised capital gains (i.e. realised and unrealised gains net of realised and unrealised losses) of the Company. It is currently anticipated that, if there is net income to distribute, a dividend will be declared in April of each year, and will be paid within two months of declaration. However, the Directors may at their discretion determine the frequency at which a dividend is paid. Shareholders will be notified of any change in the frequency of the payment of dividends. Distributions to holders of redeemable participating shares are recorded in the Profit and Loss Account as finance costs when paid. As at 31 December 2017 and 31 December 2016 no distributions were paid or payable from the Company.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign Exchange Translation (continued)

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

Investment Transactions and Investment Income

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

Interest Income and Interest Expenses

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

Dividend Income

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

Investor Money Regulation

In response to the CBI publishing the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers (the "Investor Money Regulations" or "IMR") in March 2015 (effective from 1st July, 2016), the Investment Manager undertook a review together with the Administrator of the way in which subscription, distribution and redemption monies are channelled to and from the Company.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Offsetting financial instruments

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

1. Share Capital

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

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

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

The movement in the number of redeemable participating shares for the year ended 31 December 2017 is as follows:

	Class A Dollar Non-Distributing Class Shares	Class B Dollar Distributing Class Shares	Class C Sterling Distributing Class Shares
At the beginning of the year	24,603	4,638	5,338
Redeemable Participating Shares issued	–	46	1
Redeemable Participating Shares redeemed	(1,204)	(156)	(491)
At the end of the year	23,399	4,528	4,848

	Class D Singapore Dollar Distributing Class Shares	Class E Singapore Dollar Distributing Class Shares	Class U Sterling Unhedged Distributing Class Shares
At the beginning of the year	2,750	23,904	298,159
Redeemable Participating Shares issued	–	133	110,260
Redeemable Participating Shares redeemed	(260)	–	(31,425)
At the end of the year	2,490	24,037	376,994

1. Share Capital (continued)

Redeemable Participating Shares (continued)

The movement in the number of redeemable participating shares for the year ended 31 December 2016 is as follows:

	Class A Dollar Non-Distributing Class Shares	Class B Dollar Distributing Class Shares	Class C Sterling Distributing Class Shares
At the beginning of the year	29,178	6,554	5,409
Redeemable Participating Shares issued	80	570	–
Redeemable Participating Shares redeemed	(4,655)	(2,486)	(71)
At the end of the year	24,603	4,638	5,338

	Class D Singapore Dollar Distributing Class Shares	Class E Singapore Dollar Distributing Class Shares	Class U Sterling Unhedged Distributing Class Shares
At the beginning of the year	3,110	23,904	310,953
Redeemable Participating Shares issued	–	–	69,996
Redeemable Participating Shares redeemed	(360)	–	(82,790)
At the end of the year	2,750	23,904	298,159

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

The Investment Manager earned a fee of USD 809,968 during the year ended 31 December 2017 (USD 599,713: 31 December 2016), of which USD 81,859 is outstanding at the year end (USD 48,097: 31 December 2016).

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 and D and quarterly for Class U.

2. Investment Management Fees (continued)

For each Calculation Period, the Performance Fee in respect of each Share for Classes A, B, C and D 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.

The Performance Fee in respect of each Class U Sterling (Unhedged) Distributing Share ("Class U Share") will be equal to 10% of the Net Percentage Outperformance (as defined below) by the Class U Sterling (Unhedged) Distributing Shares of the performance of the MSCI AC Asia Pacific ex-Japan Gross Return USD Index ("M2APJ") (the "Index Performance") during that Calculation Period multiplied by the Net Asset Value per Share of the Class U Shares as at the beginning of the Calculation Period. The net percentage outperformance in respect of Calculation Periods where Class U Performance is greater than Index Performance is the arithmetic difference between Index Performance expressed in GBP and Class U Performance, expressed as a percentage (the "Net Percentage Outperformance").

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. In respect of class U, the performance fee is calculated based on the performance of the share classes as a whole, and not that of any individual shareholding. 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 all classes.

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 Fees which are paid or payable to the Investment Manager. Details of the Performance fees and Equalisation fees charged to the Company and payable at the end of the year are included in the Profit and Loss Account and Balance Sheet, respectively.

The Class E Singapore Dollar Distributing Class will not be charged a Performance Fee.

A Performance Fee of USD 290,385 was earned during the year ended 31 December 2017 (USD 338: 31 December 2016), which includes USD 1,204 due to the issuance of redeemable participating shares in exchange for cancellation of performance fee equalisation credits (USD 91: 31 December 2016). The performance fee outstanding at the end of the year was USD 284,571 (USD 212: 31 December 2016), which includes USD Nil of an additional performance fee (USD Nil: 31 December 2016).

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 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 be 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 102,005 during the year ended 31 December 2017 (USD 100,257: 31 December 2016), of which USD 16,119 is outstanding at the year end (USD 24,183: 31 December 2016).

4. Depositary Fees

Until 25 May 2017, the Company paid Brown Brothers Harriman Trustee Services (Ireland) Limited (the "Depositary") a depositary fee of 0.02% of the NAV per annum. The depositary fees were payable monthly in arrears, subject to a minimum charge of USD 36,000. From 25 May 2017, the Company pays a depositary fee of 0.023% of the NAV per annum of the Company. The Company shall also pay the fees and reasonable transaction charges (charged at normal commercial rates) of any sub-depositary appointed by the Depositary. The Depositary fees are payable monthly in arrears, subject to a minimum charge of USD 18,000 per annum.

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

The Depositary earned a fee of USD 75,744 during the year ended 31 December 2017 (USD 71,660: 31 December 2016), of which USD 17,047 is outstanding at the year end (USD 22,006: 31 December 2016).

5. Directors' Fees

The Directors of the Company are entitled to a fee in remuneration for their services of EUR 15,000 each (plus VAT, if any) per annum. In addition, the Directors are entitled to special remuneration if called upon to perform any special or extra services to the Company. All Directors are entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties. Heather Manners and Tony Morris have waived their entitlement to Directors fees (as disclosed in Note 7).

Directors' fees and expenses charged during the year were:

- David Hammond: USD 12,508 (2016: USD 22,937)
- Richard Hayes: USD 12,508 (2016: USD 22,937)

The Directors earned fees of USD 25,016 during the year ended 31 December 2017 (USD 45,874: 31 December 2016), of which USD 11,463 is outstanding at the year end (USD 20,894: 31 December 2016).

6. Auditors Remuneration

Audit fees charged to the Profit and Loss Account for the year ended 31 December 2017 amounted to USD 21,057 (USD 21,371: 31 December 2016) of which USD 21,354 (USD 8,529: 31 December 2016) is outstanding at the year end. 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 2017 and 31 December 2016 was as follows:

	Year ended 31 December 2017 USD	Year ended 31 December 2016 USD
Statutory audit fees	21,057	21,371

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 fee for the years ended 31 December 2017 and 31 December 2016.

Tony Morris, Alternate Director for Heather Manners, is also a partner and is Chief Operating Officer and Head of Trading of the Investment Manager. As an Alternate Director, he is not entitled to receive a director's fee from the Company.

7. Related Parties (continued)

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

Related Party	Shares held	Share Class
David Hammond (Family members)	835	Class A Dollar Non-Distributing Class
Heather Manners	11,966	Class E Singapore Dollar Distributing Class
Thomas Naughton (Partner of the Investment Manager)	7,458	Class E Singapore Dollar Distributing Class
Tony Morris	3,000	Class E Singapore Dollar Distributing Class
Tony Morris (Family member)	98	Class U Sterling Unhedged Distributing Class
Richard Hayes	1,262	Class E Singapore Dollar Distributing Class
Prusik Investment Management Singapore PTE Ltd	133	Class E Singapore Dollar Distributing Class
Amirah Rani (employee of Prusik)	85	Class E Singapore Dollar Distributing Class

The following Directors and related parties held Shares in the Company as at 31 December 2016:

Related Party	Shares held	Share Class
David Hammond (Family members)	835	Class A Dollar Non-Distributing Class
Heather Manners	11,966	Class E Singapore Dollar Distributing Class
Thomas Naughton (Partner of the Investment Manager)	7,458	Class E Singapore Dollar Distributing Class
Tony Morris	3,000	Class E Singapore Dollar Distributing Class
Tony Morris (Family member)	98	Class U Sterling Unhedged Distributing Class
Richard Hayes	1,262	Class E Singapore Dollar Distributing Class
Han Leng Chow (employee of Prusik)	133	Class E Singapore Dollar Distributing Class
Amirah Rani (employee of Prusik)	85	Class E Singapore Dollar Distributing Class

8. Cash

	31 December 2017 USD	31 December 2016 USD
Brown Brothers Harriman & Co.	6,136,824*	294,579*
Citibank	–	55,249
JP Morgan Chase Bank	2,918,704	–
HSBC Bank Plc, Hong Kong	23,930	–
	9,079,458	349,828

*As of 31 December 2017 the amount was net of bank overdraft of USD 7,413 (USD 7,148: 31 December 2016).

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

9. Taxation

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

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

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

9. Taxation (continued)

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

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

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

10. Soft Commission Agreements

During the years ended 31 December 2017 and 31 December 2016, the Investment Manager entered into soft commission arrangements with brokers/dealers in respect of which certain services used to support the investment decision process were received. The Investment Manager does not make direct payment for these services but does transact an agreed amount of business with the brokers on behalf of the Company and commission is paid on these transactions.

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

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

11. Efficient Portfolio Management

During the year ended 31 December 2017, the Company did not hold any instruments for the purposes of efficient portfolio management (31 December 2016: None).

12. Exchange Rates

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

	31 December 2017	31 December 2016
Australian Dollar	1.2790	1.3833
British Pound Sterling	0.7409	0.8129
Euro	0.8346	0.9483
Hong Kong Dollar	7.8168	7.7540
Indian Rupee	63.8275	67.8700
Indonesian Rupiah	13,567.5000	–
Malaysian Ringgit	4.0470	–
Singapore Dollar	1.3358	–
South Korean Won	1,070.5500	1,207.8000
Taiwan Dollar	29.7585	32.2290
Thailand Baht	32.5900	35.8105
Vietnamese Dong	22,709.0000	22,771.0000

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 the derivatives are based on (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 is 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 2017, 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 4,930,137 (USD 2,784,998; 31 December 2016).

The Company's concentration of equity price risk by geographical distribution can be seen in the Schedule of Investments, on pages 15 to 17.

(ii) Currency Risk

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

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

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

The tables overleaf set out the Company's total exposure to foreign currency at the year end, including sensitivity analysis.

13. Financial Risk Management (continued)

a) Market Risk (continued)

(ii) Currency Risk (continued)

As at 31 December 2017

	Cash	Non- Cash	Total USD	Effect on Net Assets of 5% Change in Foreign Exchange Rate (stated in USD)
Australian Dollar	91	4,162,108	4,162,199	208,110
British Pound Sterling	1,091	1,006,174	1,007,265	50,363
Euro	4	–	4	–
Hong Kong Dollar	23,932	34,652,348	34,676,280	1,733,814
Indian Rupee	–	7,099,322	7,099,322	354,966
Indonesian Rupiah	–	4,631,657	4,631,657	231,583
Malaysian Ringgit	–	3,975,785	3,975,785	198,789
Singapore Dollar	74	685,328	685,402	34,270
South Korean Won	5	5,670,494	5,670,499	283,525
Taiwan Dollar	374	7,192,594	7,192,968	359,648
Thailand Baht	–	1,548,635	1,548,635	77,432
Vietnamese Dong	6,141,094	11,537,717	17,678,811	883,941

As at 31 December 2016

	Cash	Non- Cash	Total USD	Effect on Net Assets of 5% Change in Foreign Exchange Rate (stated in USD)
Australian Dollar	82	2,974,328	2,974,410	148,721
British Pound Sterling	55,255	2,986,653	3,041,908	152,095
Euro	3	–	3	–
Hong Kong Dollar	4	16,912,991	16,912,995	845,650
Indian Rupee	–	1,338,736	1,338,736	66,937
Singapore Dollar	–	475,813	475,813	23,791
South Korean Won	5	5,935,353	5,935,358	296,768
Taiwan Dollar	346	4,804,245	4,804,591	240,230
Thailand Baht	–	2,479,720	2,479,720	123,986
Vietnamese Dong	301,281	11,827,593	12,128,874	606,444

(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.

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 2017 and 31 December 2016 are detailed on the Balance Sheet. As at 31 December 2017 the cash balances held at BBH which has a short-term credit rating of F1, as rated by Moody's.

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/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-depositaries.

The credit ratings are outlined below for the following institutions:

	Moody's 31 December 2017	Moody's 31 December 2016
Brown Brothers Harriman & Co.	F1*	F1*
Citibank	A1	A1
HSBC, Hong Kong	Aa3	–
JP Morgan Chase Bank, New York	A3	–

*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 on the books of a sub-depositary (agency accounts) are obligations of the sub-depositary.

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 sub-depositary, 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 2017 was USD 1,657,047 (USD 1,158,280: 31 December 2016).

c) Liquidity Risk

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

13. Financial Risk Management (continued)

c) Liquidity Risk (continued)

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

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 daily cash redemptions of redeemable participating shares. No such borrowings have arisen during the years ending 31 December 2017 and 31 December 2016.

In accordance with the Company's policy, the Investment Manager monitors the Fund's liquidity position on a daily basis and the Board of Directors reviews it on a quarterly basis.

The tables 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 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 2017

	Less than or equal to 1 month USD	More than 1 month USD	Total USD
Bank overdraft	7,413	–	7,413
Redemptions payable	18,490	–	18,490
Other Payables	–	649,361	649,361
Redeemable Participating Shares	107,213,042	–	107,213,042
Total	107,238,945	649,361	107,888,306
Forward foreign currency exchange contracts			
Payables	9,149	–	9,149
Receivables	(9,060)	–	(9,060)
Net	89	–	89
Total	107,239,034	649,361	107,888,395

31 December 2016

	Less than or equal to 1 month USD	More than 1 month USD	Total USD
Bank overdraft	7,148	–	7,148
Other Payables	–	185,357	185,357
Redeemable Participating Shares	58,215,944	–	58,215,944
Total	58,223,092	185,357	58,408,449
Forward foreign currency exchange contracts			
Payables	1,178,684	–	1,178,684
Receivables	(1,158,280)	–	(1,158,280)
Net	20,404	–	20,404
Total	58,243,496	185,357	58,428,853

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

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

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

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following table provides an analysis within the fair value hierarchy of the Company's financial assets and liabilities measured at fair value at 31 December 2017 and 31 December 2016:

As at 31 December 2017

Financial Assets at Fair Value Through Profit or Loss	**Level 1** USS	**Level 2** USS	**Level 3** USS	**Total** USS
Common Stock	85,421,809	–	–	85,421,809
Warrants	–	13,163,172	–	13,163,172
Forward foreign currency contracts	–	17,857	–	17,857
Total Financial Assets at Fair Value Through Profit or Loss	85,421,809	13,181,029	–	98,602,838

Financial Liabilities at Fair Value Through Profit or Loss				
Forward foreign currency contracts	–	(89)	–	(89)
Total Financial Liabilities at Fair Value Through Profit or Loss	–	(89)	–	(89)

13. Financial Risk Management (continued)

d) Fair Value Estimation (continued)

As at 31 December 2016 **Financial Assets at Fair Value Through Profit or Loss**	**Level 1** **US$**	**Level 2** **US$**	**Level 3** **US$**	**Total** **US$**
Common Stock	51,227,386	–	–	51,227,386
Warrants	–	4,492,987	–	4,492,987
Total Financial Assets at Fair Value Through Profit or Loss	51,227,386	4,492,987	–	55,720,373
Financial Liabilities at Fair Value Through Profit or Loss				
Forward foreign currency contracts	–	(20,404)	–	(20,404)
Total Financial Assets at Fair Value Through Profit or Loss	–	(20,404)	–	(20,404)

There were no transfers between levels for the investments held at 31 December 2017 and 31 December 2016.

The Fund held no Level 3 investments as at the year ending 31 December 2017 (Nil: 31 December 2016).

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.

14. Portfolio Analysis

As at 31 December 2017	**Market Value USD**	**% of Total Assets**
Transferable securities admitted to an official exchange listing	85,421,809	79.17%
Other securities	13,163,172	12.20%
Financial derivative instruments (Forward Foreign Currency Contracts)	17,768	0.02%
Net financial assets at fair value through profit or loss	98,602,749	91.39%

As at 31 December 2016	**Market Value USD**	**% of Total Assets**
Transferable securities admitted to an official exchange listing	51,227,386	87.67
Other securities	4,492,987	7.69
Financial derivative instruments (Forward Foreign Currency Contracts)	(20,404)	(0.03)
Net financial assets at fair value through profit or loss	55,699,969	95.33

15. Comparatives

The comparative figures are for the year ended 31 December 2016 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 2016 for the Balance Sheet.

16. Significant Events during the Year

The Company's Prospectus has been updated on 25 May 2017. Effective from 25 May 2017, the depositary fee changed from 0.02% to 0.023% of the NAV of the Fund, and the minimum charge payable monthly in arrears changed from USD 36,000 to USD 18,000 per Fund per annum. There were no other significant updates in the Prospectus.

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

17. Events since the Year End

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

18. Approval of Financial Statements

The audited financial statements were approved by the Directors on 16 April 2018.

STATEMENT OF SIGNIFICANT CHANGES IN THE COMPOSITION OF PORTFOLIO

In accordance with the Central Bank (Supervision and Enforcement) Act 2013 (section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (S.I. No. 420 of 2015) (the "Central Bank UCITS Regulations") a statement of changes in the composition of the portfolio during the reporting period is provided to ensure that Shareholders can identify changes in the investments held by the Company. These statements present the aggregate purchases and sales of transferable securities exceeding 1% of the total value of purchases and sales for the period. At a minimum the largest 20 purchases and 20 sales must be given.

Major Purchases for the year ended 31 December 2017

Security Description	Acquisitions Nominal	Cost USD
PetroChina Co. Ltd.	5,400,000	3,752,378
YiChang HEC ChangJiang Pharmaceutical Co. Ltd.	830,000	2,817,344
Godrej Properties Ltd.	240,000	2,056,785
ICICI Prudential Life Insurance Co. Ltd.	300,000	2,043,065
Hua Hong Semiconductor Ltd.	1,050,000	1,984,798
Sunway Construction Group Bhd	4,000,000	1,871,948
Tong Hsing Electronic Industry	440,000	1,865,005
Uni-President China Holdings	2,540,000	1,848,198
Win Semiconductors Corp.	260,000	1,833,818
Huatai Securities Co. Ltd.	790,000	1,823,053
CITIC Securities Co. Ltd.	780,000	1,806,892
Com2uS Corp.	18,000	1,793,626
Chow Sang Holdings International Ltd.	770,000	1,734,162
Bank Mandiri Persero Tbk PT	1,700,000	1,710,095
ZTE Corp.	460,000	1,703,567
Bank Negara Indonesia Persero Tbk PT	3,600,000	1,596,925
Alibaba Group Holding Ltd.	15,000	1,521,321
Catcher Technology Co. Ltd.	183,000	1,512,244
Siam Cement PCL	103,000	1,496,934
AK Medical Holdings Ltd.	5,456,000	1,453,286
Standard Chartered Bank	130,000	1,194,045
Econpile Holdings Bhd	2,000,000	1,057,559
Indiabulls Housing Finance Ltd.	90,000	955,176
Scicom MSC Bhd	1,602,700	841,369

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

Major Sales for the year ended 31 December 2017

Security Description	Disposals Nominal	Proceeds USD
VNDirect Securities Corp.	3,410,000	3,364,992
Samsung Electronics Co. Ltd.	1,460	3,353,249
Tencent Holdings Ltd.	52,600	2,580,334
Saigon Securities, Inc.	2,112,000	2,559,509
Sino-Thai Engineering & Construction PCL	3,200,000	2,321,884
Catcher Technology Co. Ltd.	183,000	2,271,489
Silicon Motion Technology Corp.	47,000	1,804,908
NAVER Corp.	2,600	1,729,304
Anta Sports Products Ltd.	540,000	1,693,890
Chow Sang Holdings International Ltd.	770,000	1,682,490
Tong Hsing Electronic Industry	440,000	1,677,833
Uni-President China Holdings	2,540,000	1,677,505
Indiabulls Housing Finance Ltd.	86,000	1,649,988
Baidu, Inc.	9,500	1,648,870
Nexteer Automotive Group Ltd.	1,300,000	1,532,897
BYD Co. Ltd.	255,000	1,400,589
Standard Chartered Bank	130,000	1,276,138
Hoa Phat Group JSC	650,000	1,151,360
HTC Corp.	500,000	1,122,449
Scicom MSC Bhd	1,602,700	716,521
Haitong International Securities Group Ltd.	1,217,974	686,391
Vietnam Dairy Products JSC	100,000	570,424

MANAGEMENT AND ADMINISTRATION

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

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

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

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

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

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

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

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

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

Appendix 1 – Report on Remuneration (Unaudited)

The Fund 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 non-executive members of the Board of Directors in their supervisory function, who have expertise in risk management and remuneration and any revisions to the remuneration policy requires approval of such members.

It is the Fund'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 Fund, (iii) do not impair compliance with the Fund's duty to act in the best interests of its shareholders and (iv) are consistent with the principles outlined in Appendix 1 to this remuneration policy. The Fund's remuneration policy is designed to ensure that any relevant conflicts of interest can be managed appropriately at all times.

The implementation of the remuneration policy will be subject to central and independent review at least annually to ensure compliance with and adherence to the policy.

The remuneration policy itself will be reviewed on an annual basis by the non-executive members of the Board in their supervisory function, who have expertise in risk management and remuneration.

Persons subject to the Policy

The Fund 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 Fund 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 Fund.

Remuneration of Identified Staff

The 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 Fund's complexity, the extent of the responsibilities and the number of board meetings. No pension contributions are payable on Board members' fees.

The fees paid by the Fund with respect to the carrying out of the 'Designated Person' roles are paid to Bridge Consulting Limited. 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.

Ms. Manners and Mr. Morris do not receive any fees from the Fund for their roles as Director and Alternate Director, respectively.

Appendix 1 – Report on Remuneration (Unaudited) (continued)

Quantitative information

Prusik Investment Management LLP, authorised and regulated by the UK's Financial Conduct Authority, provides investment management services to the Fund. The aggregate quantitative remuneration paid to its staff by Prusik Investment Management LLP for the year ended 31 December 2017 was £851,000 apportioned as to £397,000 and £454,000 as to fixed and variable remuneration respectively.

The tables below present aggregated information on the remuneration of all staff employed on 31 December 2017, which is the financial year-end of the Fund, and performing activities for the Fund during the year 2017, including all identified staff selected on the basis of the above policy.

Aggregate fixed and variable remuneration for the performance year 2017 awarded in relation to the performance year 2017 and on the basis set out above:

Amounts in Euros and Man Co. identified staff

Number of employees	5
Fixed remuneration of Directors	€ 30,000
Fixed remuneration of Designated Persons	£ 397,000
Variable remuneration	£ 454,000
Aggregate of Fixed and Variable remuneration	€ 30,000 and £ 851,000