

**PRUSIK ASIAN SMALLER COMPANIES FUND PLC**

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

**Condensed Semi-Annual Report and Unaudited Financial Statements  
For the Period Ended 30 June 2015**

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**GENERAL INFORMATION**

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Prusik Asian Smaller Companies Fund plc (the “Company”) is a public limited liability investment company with variable capital, incorporated on 11 January 2008 in Ireland pursuant to the Companies Act 2014 and authorised by the Central Bank of Ireland (the “Central Bank”), as an investment company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (the “UCITS Regulations”).

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

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

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

- Class A Dollar Non-Distributing Class (first issued on 8 February 2008)
- Class B Dollar Distributing Class (first issued on 8 February 2008)
- Class C Sterling Distributing Class (first issued on 25 April 2008)
- 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 every Friday of each calendar month (“Dealing Day”) provided that Dealing Day is a business day, or if such day is not a business day, on the following business day. The valuation point is 11.00 am (Irish time) on each Dealing Day.

The most recent Prospectus of the Company is dated 24 December 2014.

**Investment Objective**

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

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

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

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

**GENERAL INFORMATION (CONTINUED)**

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**Investment Objective (continued)**

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

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

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

**INVESTMENT MANAGER'S REPORT**

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In the first half of 2015 the Fund rose 1.8% versus the MXAPI index rise of 3.7%. The main reason for the weak performance in the first half was a poor first quarter, when the Fund underwent a significant restructuring process. In the second quarter, absolute and relative performance recovered strongly, as the Fund benefitted from being more concentrated and focused on fewer high conviction stocks and themes.

We remain very optimistic for our themes and although the stock markets have been volatile of late, mainly thanks to the local market in China, we feel that regional valuations now offer an opportunity which has only been cheaper five times in many years.

In the first quarter the Prusik Asian Smaller Companies Fund fell 0.9%, while the index rose 4.5%. There are several reasons why this underperformance occurred. Firstly, we undertook a significant restructuring of the portfolio during the quarter, reducing the number of companies from over 50 at the end of December 2014 to 33 by the end of March 2015. The motivation for this change was that we believe our performance in 2014 was impacted by too long a tail of small holdings which both let down and offset the very good performance of our major themes and highest conviction stocks. The central aim of the restructuring was to focus on a smaller number of our higher conviction holdings and themes.

In the process of increasing the Fund's concentration, we reduced the Fund's exposure to China in the early part of this year. In retrospect this proved to be a frustrating decision given the extraordinary performance of Chinese small caps in late March and early April. That said, the Fund kept a meaningful weighting in China and Hong Kong, 22% as of the end of March, and this proved to be a key contributor to the Fund's strong return in April of 7.2%, 1.4% ahead of the index.

Overall, we feel that while some short term performance at the beginning of the year was compromised by the restructuring, the long term outlook for the Fund is now far stronger. We believe these changes led to a significant uplift in the quality of the Fund's holdings and a decrease in the Fund's cyclical and corporate governance related risks, thus yielding a huge improvement in the Fund's overall risk-reward profile.

There were also a few stock specific reasons for the lacklustre performance in the quarter. Firstly, small cap cyclicals in Indonesia and Korea saw a period of weakness at the beginning of the year. As this weakness coincided with our move to reduce the cyclicality in the Fund, exiting these positions at this time slightly hampered performance. Secondly, we took profits in two of our India holdings, Ceat Ltd. and Persistent Systems Ltd., exiting the former completely and reducing our weighting in the latter. From the time we first purchased the shares in these companies in 2014 to the end of 1Q15, they have contributed 211 basis points to performance. However, during 1Q15, both stocks corrected from their highs, thus acting as a drag on performance on a year to date basis at the time of the sales. Finally, Max's Group, Inc., manager of a strong portfolio of restaurant chains in the Philippines, which we purchased at the beginning of the year has yet to see the market give the stock the value we believe it deserves. To our minds this is just a question of patience.

During the second quarter the Prusik Asian Smaller Companies Fund rose 2.8%, 3.6% ahead of the index, which fell 0.9%. As mentioned, this represented a stronger absolute and relative performance for the Fund compared to the first quarter. We feel that the significant restructuring of the portfolio is already starting to bear fruit.

The biggest contributors to performance during the quarter were all in our infrastructure theme in China, namely Beijing Urban Construction Design & Development Group Co. Ltd. (metro design company), Wasion Group Holdings Ltd. (smart meters) and Jiangnan Group Ltd. (ultra-high voltage cables). Stocks in our financialisation theme also did well, especially Syarikat Takaful Malaysia Bhd. (Shariah insurance company operating in Malaysia) and iFAST Corp. Ltd. (online wealth management / robo- advice platform listed in Singapore, but servicing countries across ASEAN).

Elsewhere the smart textiles theme was very strong, driven partly by NIKE delivering higher than expected earnings growth, but also in response to our holdings in this theme producing good numbers themselves. Taiwanese yarn dyer, Toung Loong Textile Manufacturing, was a key contributor to performance in the quarter.

Consumption stocks continued to do well too, especially Philippine Seven Corp., the 7-11 franchise, and Distilleries Co. of Sri Lanka PLC.

**INVESTMENT MANAGER'S REPORT (CONTINUED)**

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Finally, Vietnam also had a very strong quarter, driven mainly by the government announcement that foreign ownership limits for listed companies will finally be raised. In addition, Vietnam is showing strong GDP growth owing to the huge Foreign Direct Investment (FDI) flowing into the country's manufacturing sector. Textiles companies have played a significant part in this as have technology companies such as LG Electronics Inc., Samsung Electronics Co. Ltd. and Intel as they look for a second manufacturing base after China.

**Outlook**

Currently, at the time of publishing and since the end of the period under review, Asia has corrected significantly and now offers investors a very interesting new potential entry point. At 1.27 X Price/Book, Asia has rarely been cheaper and stands only 3% more expensive than the 2008/9 valuation lows.

Looking at this level from a historic perspective, statistically, longer term investors who bought at these levels sit with a very low ( under 5%) chance of not making 9% or more in the following 12 months. However, at this point it is still quite unclear how serious the risks are of a major dislocation of some sort in China. We wouldn't underestimate this although it is not our central case. Hence we would be just starting to buy and continue adding as the situation clarifies and these valuation levels are revisited.

From a portfolio perspective, this correction also gives us a chance to possibly upgrade the portfolio with some good companies at much cheaper valuations.

Medium term we believe Asia, in parts, offers much better growth combined with value, compared to the US, and has significant scope for further interest rate cuts in a number of countries. It also has many industries and themes which are seeing very strong momentum due to structural reasons. Despite all of this, foreign investors still seem cautious of Asia and indeed are carrying the lowest weightings in Emerging Markets for 15 years. This is usually a very good indicator of good upside on a one year plus view.

**Prusik Investment Management LLP**  
**26 August 2015**

SCHEDULE OF INVESTMENTS

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
<b>Common Stock (31 December 2014: 97.62%)</b>					
<b>Australia (31 December 2014: 1.54%)</b>					
	7,012,411	Praemium Ltd.	2,244,699	1,776,878	2.21%
			2,244,699	1,776,878	2.21%
<b>China (31 December 2014: 19.84%)</b>					
	3,600,000	Beijing Urban Construction Design & Development Group Co. Ltd.	1,988,363	3,088,116	3.84%
	4,700,000	Best Pacific International Holdings Ltd.	2,393,014	2,303,832	2.86%
	2,826,000	Dynagreen Environmental Protection Group Co. Ltd.	1,543,625	1,942,982	2.41%
	2,572,000	HNA Infrastructure Co. Ltd.	2,772,626	2,903,010	3.61%
	12,000,000	Jiangnan Group Ltd.	2,543,836	3,467,358	4.31%
			11,241,464	13,705,298	17.03%
<b>Hong Kong (31 December 2014: 8.22%)</b>					
	17,350,000	Tongda Group Holdings Ltd.	2,334,506	3,357,068	4.17%
	2,000,000	Wasion Group Holdings Ltd.	1,668,425	3,075,216	3.82%
			4,002,931	6,432,284	7.99%
<b>India (31 December 2014: 13.14%)</b>					
	112,018	Credit Analysis & Research Ltd.	2,812,521	2,482,642	3.09%
	145,000	Kaveri Seed Co. Ltd.	1,928,957	1,680,829	2.09%
	271,315	PVR Ltd.	1,537,674	2,706,118	3.36%
			6,279,152	6,869,589	8.54%
<b>Malaysia (31 December 2014: 2.81%)</b>					
	2,200,000	Syarikat Takaful Malaysia Bhd.	965,176	2,214,276	2.75%
			965,176	2,214,276	2.75%
<b>Philippines (31 December 2014: 6.85%)</b>					
	3,500,000	Max's Group, Inc.	2,537,453	1,908,033	2.37%
	1,189,825	Philippine Seven Corp.	1,092,572	3,164,078	3.93%
	13,220,000	RFM Corp.	1,478,129	1,215,801	1.51%
			5,108,154	6,287,912	7.81%
<b>Singapore (31 December 2014: 7.46%)</b>					
	4,385,000	iFAST Corp. Ltd.	4,152,245	4,708,047	5.85%
	5,230,500	Innovalues Ltd.	2,324,109	2,953,658	3.67%
			6,476,354	7,661,705	9.52%
<b>South Korea (31 December 2014: 10.60%)</b>					
	110,000	Hanjin Kal Corp.	2,048,594	2,696,971	3.35%
	455,000	Interpark Holdings Corp.	3,496,442	3,802,693	4.73%
			5,545,036	6,499,664	8.08%
<b>Sri Lanka (31 December 2014: 0.68%)</b>					
	710,000	Distilleries Co. of Sri Lanka PLC	1,091,496	1,432,736	1.78%
			1,091,496	1,432,736	1.78%
<b>Taiwan (31 December 2014: 5.72%)</b>					
	425,000	Sitronix Technology Corp.	771,068	1,383,177	1.72%
	975,000	Toung Loong Textile Manufacturing	3,446,290	4,104,599	5.10%
			4,217,358	5,487,776	6.82%

SCHEDULE OF INVESTMENTS (CONTINUED)

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
<b>Common Stock (31 December 2014: 97.62%) (continued)</b>					
<b>Thailand (31 December 2014: 7.68%)</b>					
	2,400,000	Hana Microelectronics PCL	3,181,376	2,878,294	3.58%
	3,304,700	Major Cineplex Group PCL	2,596,773	3,302,743	4.10%
			5,778,149	6,181,037	7.68%
<b>United States (31 December 2014: 2.86%)</b>					
	3,100,000	Nexteer Automotive Group Ltd.	2,149,982	3,227,042	4.01%
			2,149,982	3,227,042	4.01%
<b>Vietnam (31 December 2014: 9.30%)</b>					
	792,000	Danang Rubber JSC	812,967	1,924,622	2.39%
	825,000	FECON Foundation Engineering and Underground Construction JSC	1,007,171	817,056	1.02%
	1,150,000	FPT Corp.	1,739,231	2,446,584	3.04%
	1,518,000	HAGL JSC	1,156,794	1,322,421	1.64%
	656,687	Mobile World Investment Corp.	3,001,031	2,213,044	2.75%
	1,800,000	Refrigeration Electrical Engineering Corp.	1,211,613	2,220,083	2.76%
			8,928,807	10,943,810	13.60%
		<b>Total Common Stock</b>	<b>64,028,758</b>	<b>78,720,007</b>	<b>97.82%</b>
		<b>Total Fair Value of Investments</b>	<b>64,028,758</b>	<b>78,720,007</b>	<b>97.82%</b>

Forward Foreign Currency Contracts (31 December 2014: (0.62%))

Currency Bought	Amount Bought	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss)	% of Net Assets
GBP	3,550,976	USD	(5,581,495)	31/07/2015	Brown Brothers Harriman	2,845	0.00%
USD	882,795	SGD	(1,179,061)	05/08/2015	Brown Brothers Harriman	7,274	0.01%
USD	10,628,920	SGD	(14,265,074)	05/08/2015	Brown Brothers Harriman	36,282	0.05%
GBP	1,586,308	USD	(2,397,863)	05/08/2015	Brown Brothers Harriman	96,705	0.12%
<b>Total unrealised gain on Forward Foreign Currency Contracts</b>						<b>143,106</b>	<b>0.18%</b>
<b>Total Financial Assets at Fair Value through Profit or Loss</b>						<b>78,863,113</b>	<b>98.00%</b>
USD	627,124	SGD	(845,683)	05/08/2015	Brown Brothers Harriman	(844)	0.00%
USD	570,030	SGD	(768,948)	05/08/2015	Brown Brothers Harriman	(958)	0.00%
USD	497,199	SGD	(671,368)	05/08/2015	Brown Brothers Harriman	(1,330)	0.00%
USD	180,012	GBP	(116,594)	05/08/2015	Brown Brothers Harriman	(3,340)	(0.01%)
USD	277,549	GBP	(179,608)	05/08/2015	Brown Brothers Harriman	(4,896)	(0.01%)
USD	1,977,602	GBP	(1,290,105)	05/08/2015	Brown Brothers Harriman	(51,168)	(0.06%)
SGD	39,403,329	USD	(29,520,025)	05/08/2015	Brown Brothers Harriman	(260,786)	(0.33%)
<b>Total unrealised loss on Forward Foreign Currency Contracts</b>						<b>(323,322)</b>	<b>(0.41%)</b>
<b>Total Financial Liabilities at Fair Value through Profit or Loss</b>						<b>(323,322)</b>	<b>(0.41%)</b>



**SCHEDULE OF INVESTMENTS (CONTINUED)**

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	<b>Value USD</b>	<b>% of Net Assets</b>
Cash	1,181,400	1.47%
Other Net Assets	754,901	0.94%
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>80,476,092</b>	<b>100.00%</b>

**BALANCE SHEET**

	Notes	As at 30 June 2015 USD	As at 31 December 2014* USD
<b>Assets</b>			
Financial assets, at cost		64,028,758	144,929,210
Financial assets at fair value through profit or loss			
- Transferable securities		78,720,007	163,709,219
- Financial derivative instruments		143,106	-
Cash		1,181,400	5,892,393
Margin cash due from broker		327	327
Receivable for investments sold		1,144,891	-
Dividends receivable		173,497	63,776
Subscriptions receivable		-	273,221
Other assets		-	1,740
<b>Total assets</b>		<b>81,363,228</b>	<b>169,940,676</b>
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss			
- Financial derivative instruments		323,322	1,032,333
Bank overdraft		-	2,171
Payable for investments purchased		60,517	308,481
Redemptions payable		141,872	-
Investment management fees	2	106,556	222,540
Administration fees	3	25,741	25,108
Custody fees	4	33,009	36,362
Directors' fees	5	9,583	12,184
Audit fees		10,125	7,293
Performance fees	2	107,760	27,104
Professional fees		30,764	44,172
Other liabilities		37,887	537,359
<b>Total liabilities</b>		<b>887,136</b>	<b>2,255,107</b>
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>		<b>80,476,092</b>	<b>167,685,569</b>

\*Prior year figures have been restated to comply with recent updates to accounting standards. Refer to Summary of Significant Accounting Policies and note 12 for further information.

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

**BALANCE SHEET (CONTINUED)**

	Notes	As at 30 June 2015	As at 31 December 2014*
<b>Class A Dollar Non-Distributing Class</b>			
Net Assets		USD 37,785,180	USD 70,372,262
Outstanding Redeemable Participating Shares	1	232,541	440,944
Net Asset Value per Share		USD 162.49	USD 159.59
<b>Class B Dollar Distributing Class</b>			
Net Assets		USD 10,606,308	USD 12,652,303
Outstanding Redeemable Participating Shares	1	65,231	79,206
Net Asset Value per Share		USD 162.60	USD 159.74
<b>Class C Sterling Distributing Class</b>			
Net Assets		GBP 3,720,741	GBP 8,749,292
Outstanding Redeemable Participating Shares	1	43,580	104,743
Net Asset Value per Share		GBP 85.38	GBP 83.53
<b>Class D Singapore Dollar Distributing Class</b>			
Net Assets		SGD 22,685,023	SGD 88,049,231
Outstanding Redeemable Participating Shares	1	101,759	400,858
Net Asset Value per Share		SGD 222.93	SGD 219.65
<b>Class E Singapore Dollar Distributing Class</b>			
Net Assets		SGD 1,911,300	SGD 1,830,373
Outstanding Redeemable Participating Shares	1	13,179	13,179
Net Asset Value per Share		SGD 145.02	SGD 138.88
<b>Class U Sterling (Unhedged) Distributing Class</b>			
Net Assets		GBP 5,058,257	GBP 1,929,084
Outstanding Redeemable Participating Shares	1	53,597	20,623
Net Asset Value per Share		GBP 94.38	GBP 93.54

\*Prior year figures have been restated to comply with recent updates to accounting standards. Refer to Summary of Significant Accounting Policies and note 12 for further information.

**PROFIT AND LOSS ACCOUNT**

	Notes	For the period ended 30 June 2015 USD	For the period ended 30 June 2014* USD
<b>Investment income</b>			
Dividend income		1,328,570	1,814,188
Interest income		844	489
Miscellaneous income		10,971	9,781
Net realised gain on financial assets and liabilities at fair value through profit or loss		6,982,581	5,816,840
Movement in net unrealised loss on financial assets and liabilities at fair value through profit or loss		(2,738,903)	(511,650)
<b>Total income</b>		<b>5,584,063</b>	<b>7,129,648</b>
<b>Expenses</b>			
Investment management fees	2	975,009	1,396,225
Administration fees	3	54,966	72,211
Custody fees	4	76,685	102,878
Directors' fees	5	14,212	21,186
Audit fees		–	19,099
Professional fees		55,944	53,171
Performance fees	2	107,506	317,607
Transaction costs		699,960	719,385
Other expenses		19,081	9,815
<b>Total expenses</b>		<b>2,003,363</b>	<b>2,711,577</b>
<b>Net income before finance costs</b>		<b>3,580,700</b>	<b>4,418,071</b>
<b>Finance costs</b>			
Overdraft interest		(9,476)	(7,861)
<b>Total finance costs</b>		<b>(9,476)</b>	<b>(7,861)</b>
Withholding tax on dividends		(44,614)	(64,373)
Indian capital gains tax		(265,574)	–
<b>Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations</b>		<b>3,261,036</b>	<b>4,345,837</b>

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.

\*Prior year figures have been restated to comply with recent updates to accounting standards. Refer to Summary of Significant Accounting Policies and note 12 for further information.

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

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

	For the period ended 30 June 2015 USD	For the period ended 30 June 2014* USD
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations	3,261,036	4,345,837
<b>Capital Share Transactions of Redeemable Participating Shares</b>		
Proceeds from issuance of Redeemable Participating Shares	6,208,176	10,012,742
Payments on redemption of Redeemable Participating Shares	(96,678,689)	(4,979,818)
Net (decrease)/increase from Capital Share Transactions of Redeemable Participating Shares	(90,470,513)	5,032,924
Change in Net Assets Attributable to Holders of Redeemable Participating Shares	(87,209,477)	9,378,761
Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the period	167,685,569	185,613,146
<b>Net Assets Attributable to Holders of Redeemable Participating Shares at the end of the period</b>	<b>80,476,092</b>	<b>194,991,907</b>

\*Prior year figures have been restated to comply with recent updates to accounting standards. Refer to Summary of Significant Accounting Policies and note 12 for further information.

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

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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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 UCITS Regulations. The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss, and they comply with accounting standards issued by the Financial Reporting Council (“FRC”), as promulgated by the Institute of Chartered Accountants in Ireland.

FRS 102: “The financial reporting standard applicable in the UK and Republic of Ireland” 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. These unaudited condensed financial statements have been prepared in accordance with the new standard for interim statements, FRS 104 “Interim Financial Reporting”, and should be read in conjunction with the audited financial statements for the year ended 31 December 2014. FRS 104 is effective for interim reporting periods commencing on or after 1 January 2015. These financial statements are the first financial statements to comply with FRS 104. The transition to FRS 104 has resulted in a number of changes in accounting policies and certain reclassifications have been made to previously reported amounts to conform with current period presentation. These reclassification have had no impact on reported shareholder dealing net assets.

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 Condensed Profit and Loss account and the Condensed Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares on pages 11 and 12, respectively. The Company has availed of the exemption available to 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*

In accordance with FRS 102 “Basic Financial Instruments: Recognition and Measurement”, the Company designated all its assets and liabilities as Financial Assets and Financial Liabilities at fair value through profit or loss. The category of Financial Assets and Financial Liabilities at fair value through profit or loss is further subdivided into:

#### *Financial assets and financial liabilities held for trading*

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

#### *Financial instruments designated as at fair value through profit or loss upon initial recognition*

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

#### *(ii) Recognition*

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

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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**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 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. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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

*(iv) Initial Measurement*

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

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

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

*(v) Subsequent Measurement*

After initial measurement, the Fund measures financial instruments classified as financial assets at fair value through profit or loss at their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction. Securities which are quoted, listed or traded on a Recognised Exchange will be valued at last traded price at the Valuation Point in accordance with IFRS 9 “Financial Instruments”. 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 Custodian.

For the audited financial statements for the year ended 31 December 2014, securities which were quoted, listed or traded on a recognised exchange were valued for financial reporting purposes at last bid prices at the Valuation Point. Financial assets and liabilities at fair value through profit or loss for the year end 31 December 2014 have been restated to reflect the change from bid to last traded price at the Valuation Point. Further details are set out in Note 12.

*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.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

*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 Custodian 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 Custodian). 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 Custodian. Apart from forward foreign currency contracts as at 30 June 2015 and 31 December 2014 the Company did not hold any derivative instruments.

*Forward Foreign Currency Contracts*

Forward foreign currency contracts shall be valued in the same manner as derivatives contracts which are not traded in a regulated market or by reference to the price at the Valuation Point at which new forward contracts of the same size and maturity could be undertaken. The forward foreign currency contracts held by the Company as at 30 June 2015 are included in the Schedule of Investments.

*Collective Investment Schemes and Real Estate Investment Trusts*

Units in collective investment schemes shall be valued at the latest available net asset value per unit or last traded price as published by the relevant collective investment scheme or, if traded on a Recognised Exchange, in accordance with listed securities above. As at 30 June 2015, the Company did not hold any collective investment scheme units.

**Distributions Payable to Holders of Redeemable Participating Shares**

The Company received Reporting Fund Status from HMRC with effect from 1st January 2010 (the Company previously had been registered as having distributor status for the year ended 31 December 2009). The Directors, at their discretion, can propose to distribute any of the net investment income of the Class B Dollar 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 30 June 2015 and 31 December 2014 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 Fund's reporting currency is also USD.

*Transactions and Balances*

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



**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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**Investment Transactions and Investment Income**

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

**Interest Income and Interest Expenses**

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

**Dividend Income**

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

**Transaction Costs**

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

**Expenses**

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

NOTES TO THE FINANCIAL STATEMENTS

**1. Share Capital**

*Authorised*

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

*Non-Participating Shares*

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

*Redeemable Participating Shares*

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

The movement in the number of redeemable participating shares for the period ended 30 June 2015 is as follows:

	<b>Class A Dollar Non-Distributing Class Shares</b>	<b>Class B Dollar Distributing Class Shares</b>	<b>Class C Sterling Distributing Class Shares</b>
At the beginning of the period	440,944	79,206	104,743
Redeemable Participating Shares issued	3,791	–	–
Redeemable Participating Shares redeemed	(212,194)	(13,975)	(61,163)
At the end of the period	232,541	65,231	43,580

	<b>Class D Singapore Dollar Distributing Class Shares</b>	<b>Class E Singapore Dollar Distributing Class Shares</b>	<b>Class U Sterling (Unhedged) Distributing Class Shares</b>
At the beginning of the period	400,858	13,179	20,623
Redeemable Participating Shares issued	3,379	–	34,223
Redeemable Participating Shares redeemed	(302,478)	–	(1,249)
At the end of the period	101,759	13,179	53,597

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Share Capital (continued)

The movement in the number of redeemable participating shares for the period ended 30 June 2014 is as follows:

	<b>Class A Dollar Non-Distributing Class Shares</b>	<b>Class B Dollar Distributing Class Shares</b>	<b>Class C Sterling Distributing Class Shares</b>
At the beginning of the period	434,878	107,810	86,380
Redeemable Participating Shares issued	33,781	–	23,488
Redeemable Participating Shares redeemed	(7,222)	(140)	(1,790)
At the end of the period	461,437	107,670	108,078

	<b>Class D Singapore Dollar Distributing Class Shares</b>	<b>Class E Singapore Dollar Distributing Class Shares</b>	<b>Class U Sterling (Unhedged) Distributing Class Shares</b>
At the beginning of the period	433,226	13,179	27,959
Redeemable Participating Shares issued	2,535	–	3,827
Redeemable Participating Shares redeemed	(9,745)	–	(11,293)
At the end of the period	426,016	13,179	20,493

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

The Investment Manager earned a fee of USD975,009 during the period ended 30 June 2015 (USD1,396,225: 30 June 2014), of which USD106,556 is outstanding at the period end (USD222,540: 31 December 2014).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**2. Investment Management Fees (continued)**

*Performance fee and equalisation*

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

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

For further details on the Performance Fee calculations and Equalisation Credits please refer to the Prospectus. The Investment Manager may, at its sole discretion, agree with any Shareholder, to rebate, return and or remit any part of the Management and Performance Fee which are paid or payable to the Investment Manager. Details of the Performance fees and Equalisation fees charged to the Company and payable at the end of the period 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 USD107,506 was earned during the period ended 30 June 2015 (USD317,607: 30 June 2014), which does not include any recontribution due to additional performance fees (USDNil: 30 June 2014). The performance fee outstanding at the period end was USD107,760 (USD27,104: 31 December 2014), which includes USDNil of an additional performance fee (USDNil: 31 December 2014).

**3. Administration Fees**

The Company pays Brown Brothers Harriman Fund Administration Services (Ireland) Limited (the "Administrator") a fee of 0.04% of the NAV of the Company if the NAV is less than USD200,000,000, 0.03% of any increment greater than USD200,000,000 and less than USD400,000,000, and 0.02% of any increment greater than USD400,000,000 (plus VAT, if any), subject to a minimum monthly charge of USD4,000. Additional Classes in excess of two Classes shall be charged at \$250 per month. The Administrator is also entitled to receive registration fees and transaction and reporting charges at normal commercial rates which shall accrue daily and be paid monthly in arrears.

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

The Administrator earned a fee of USD54,966 during the period ended 30 June 2015 (USD72,211: 30 June 2014), of which USD25,741 is outstanding at the period end (USD25,108: 31 December 2014).

**4. Custodian Fees**

The Company pays Brown Brothers Harriman Fund Administration Services (Ireland) Limited (the "Custodian") the Custodian a fee of 0.02% of the NAV of the Fund. The Company shall also pay the fees and reasonable transaction charges (charged at normal commercial rates) of any sub-custodian appointed by the Custodian. The Custodian fees are payable monthly in arrears, subject to a minimum charge of USD36,000 per Fund per annum.

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

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**4. Custodian Fees (continued)**

The Custodian earned a fee of USD76,685 during the period ended 30 June 2014 (USD102,878: 30 June 2014), of which USD33,009 is outstanding at the period end (USD36,362: 31 December 2014).

**5. Directors' Fees**

The Directors of the Company are entitled to a fee in remuneration for their services of EUR15,000 each (plus VAT, if any) per annum. In addition the Directors are entitled to special remuneration if called upon to perform any special or extra services to the Company. All Directors are entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties.

The Directors earned a fee of USD14,212 during the period ended 30 June 2014 (USD21,186: 30 June 2014), of which USD9,583 is outstanding at the period end (USD12,184: 31 December 2014).

**6. Related Parties**

*Directors*

Heather Manners, a Director of the Company, is Chief Investment Officer of the Investment Manager and has not been paid a fee for the period ended 30 June 2015.

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

The following Directors and related parties held Shares in the Company as at 30 June 2015:

<b>Related Party</b>	<b>Shares held</b>	<b>Share Class</b>
Heather Manners	5,280	Class E Singapore Dollar Distributing Class
Prusik Investment LLP	83	Class E Singapore Dollar Distributing Class
Anthony Morris	2,147	Class E Singapore Dollar Distributing Class
Thomas Naughton (Partner of the Investment Manager)	2,731	Class E Singapore Dollar Distributing Class
Richard Hayes	2,753	Class E Singapore Dollar Distributing Class

The following Directors and related parties held Shares in the Company as at 31 December 2014:

<b>Related Party</b>	<b>Shares held</b>	<b>Share Class</b>
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Prusik Investment LLP	83	Class E Singapore Dollar Distributing Class
Anthony Morris	2,147	Class E Singapore Dollar Distributing Class
Thomas Naughton (Partner of the Investment Manager)	2,731	Class E Singapore Dollar Distributing Class
Richard Hayes	2,753	Class E Singapore Dollar Distributing Class

*Connected Parties*

In accordance with the Central Bank's UCITS Notice 14, any transaction carried out with the Company by the Promoter, the Investment Manager, the Custodian, the Investment Adviser 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 period complied with these obligations.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**7. Taxation**

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

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

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

Following legislative changes in the Finance Act 2006, the holding of Shares at the end of a Relevant Period will, in respect of Irish Resident investors, also constitute a chargeable event. To the extent that any tax issues arise on such a chargeable event, such tax will be allowed as a credit against any tax payable on the subsequent encashment, redemption, cancellation or transfer of the relevant Shares.

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

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

**8. Financial Risk Management**

**Fair Value Estimation**

The Company has classified fair value measurements using a fair value hierarchy. The fair value hierarchy has the following levels:

- (i) Level A: The best evidence of fair value is a quoted price for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis.
- (ii) Level B: When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the entity can demonstrate that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.
- (iii) Level C: If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

The tables overleaf provide an analysis within the fair value hierarchy of the Funds' financial assets and liabilities measured at fair value as at 30 June 2015 and as at 31 December 2014:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**8. Financial Risk Management (continued)**

**Fair Value Estimation (continued)**

As at 30 June 2015

<b>Financial Assets at Fair Value Through Profit or Loss</b>	<b>Level A USD</b>	<b>Level B USD</b>	<b>Level C USD</b>	<b>Total USD</b>
Common Stock	78,720,007	–	–	78,720,007
Forward Foreign Currency Contracts	–	143,106	–	143,106
<b>Total Financial Assets at Fair Value Through Profit or Loss</b>	<b>78,720,007</b>	<b>143,106</b>	<b>–</b>	<b>78,863,113</b>

**Financial Liabilities at Fair Value Through Profit or Loss**

Forward Foreign Currency Contracts	–	(323,322)	–	(323,322)
<b>Total Financial Liabilities at fair Value Through Profit or Loss</b>	<b>–</b>	<b>(323,322)</b>	<b>–</b>	<b>(323,322)</b>

As at 31 December 2014\*

<b>Financial Assets at Fair Value Through Profit or Loss</b>	<b>Level A USD</b>	<b>Level B USD</b>	<b>Level C USD</b>	<b>Total USD</b>
Common Stock	163,709,219	–	–	163,709,219
<b>Total Financial Assets at Fair Value Through Profit or Loss</b>	<b>163,709,219</b>	<b>–</b>	<b>–</b>	<b>163,709,219</b>

**Financial Liabilities at Fair Value Through Profit or Loss**

Forward Foreign Currency Contracts	–	(1,032,333)	–	(1,032,333)
<b>Total Financial Liabilities at fair Value Through Profit or Loss</b>	<b>–</b>	<b>(1,032,333)</b>	<b>–</b>	<b>(1,032,333)</b>

\*Prior year figures have been restated to comply with recent updates to accounting standards. Refer to Summary of Significant Accounting Policies and note 12 for further information.

**9. Soft Commission Agreements**

During the period ended 30 June 2015, the Investment Manager did not enter into soft commission arrangements with brokers/dealers.

**10. Efficient Portfolio Management**

During the period ended 30 June 2015 the Company did not hold any instruments for the purposes of efficient portfolio management.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**11. Exchange Rates**

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

	<b>30 June 2015</b>	<b>31 December 2014</b>
Australian Dollar	1.3023	1.2197
British Pound Sterling	0.6357	0.6413
Euro	0.8940	0.8227
Hong Kong Dollar	7.7523	7.7546
Indian Rupee	63.6650	63.1225
Indonesian Rupiah	–	12,385.0000
Malaysian Ringgit	3.7755	3.4965
Philippine Peso	45.1250	44.8200
Singapore Dollar	1.3459	1.3216
Sri Lankan Rupee	133.8000	131.2000
South Korean Won	1,117.5500	1,088.3200
Taiwan Dollar	30.8800	31.6550
Thailand Baht	33.7700	32.8800
Vietnamese Dong	21,810.0000	21,387.5000

**12. Net Asset Comparison**

In accordance with the provisions of the Company's Prospectus, marketable investment securities are valued at last traded prices at the Valuation Point. For reporting periods prior to 1 January 2015 (and the introduction of FRS 102) marketable investment securities for financial reporting purposes were required by FRS 26 to be valued based on bid prices at the Valuation Point. The difference between the two valuation methods resulted in a difference between the NAV per Share shown in the financial statements and the NAV per Share at which Redeemable Participating Shares were issued and redeemed.

As at 31 December 2014, the difference between the NAV for financial reporting purposes as required by FRS 26 and the NAV at which Redeemable Participating Shares were issued and redeemed is detailed in the table below.

<b>Net Asset Value reconciliation</b>	<b>31 December 2014 USD</b>
Net Assets attributable to holders of redeemable participating shares (for shareholder dealing purposes)	167,685,569
Adjustment for bid and offer pricing	(628,970)
Net Assets attributable to holders of redeemable participating shares (for financial reporting purposes)	<u>167,056,599</u>

The comparative financial statements have been restated to represent the net assets attributable to holders of redeemable participating shares for shareholder dealing purposes at last traded price in accordance with FRS 102. The following table represents the financial reporting Net Assets and NAV per Share which were presented in the Balance Sheet as at 31 December 2014.

<b>Net Assets and NAV per share for financial reporting purposes</b>		<b>31 December 2014 Net Assets</b>		<b>31 December 2014 NAV per Share</b>
Class A Dollar Non-Distributing Class	USD	70,108,303	USD	159.00
Class B Dollar Distributing Class	USD	12,604,846	USD	159.14
Class C Sterling Distributing Class	GBP	8,716,474	GBP	83.22
Class D Singapore Dollar Distributing Class	SGD	87,718,968	SGD	218.83
Class E Singapore Dollar Distributing Class	SGD	1,823,507	SGD	138.36
Class U Sterling (Unhedged) Distributing Class	GBP	1,921,848	GBP	93.19



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**13. Comparatives**

The comparative figures are for the period ended 30 June 2014 for the Condensed Profit and Loss Account and the Condensed Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares, and as at 31 December 2014 for the Condensed Balance Sheet. Prior year figures have been restated to comply with recent updates to accounting standards.

**14. Significant Events during the Period**

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

**15. Events since the Period End**

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

**16. Approval of Financial Statements**

The report and unaudited condensed financial statements were approved by the Board of Directors on 26 August 2015.

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**STATEMENT OF SIGNIFICANT CHANGES IN THE COMPOSITION OF THE PORTFOLIO**

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

**Total Purchases for the period ended 30 June 2015**

<b>Security Description</b>	<b>Acquisitions Nominal</b>	<b>Cost USD</b>
Innovalues Ltd.	12,300,000	5,165,572
Religare Health Trust	6,000,000	4,805,456
Max's Group, Inc.	6,500,000	4,583,814
Toung Loong Textile Manufacturing	1,250,000	4,384,298
Jiangnan Group Ltd.	20,300,000	4,300,842
Hana Microelectronics PCL	3,200,000	4,230,666
iFAST Corp. Ltd.	4,350,000	4,112,811
Mobile World Investment Corp.	670,000	3,791,400
Alam Sutera Realty Tbk PT	68,000,000	3,511,022
KPIT Technologies Ltd.	954,594	3,252,064
Asian Pay Television Trust	4,504,600	3,053,946
Dat Xanh Real Estate Service & Construction JSC	3,400,000	2,636,406
Praemium Ltd.	7,600,000	2,416,328
Best Pacific International Holdings Ltd.	4,700,000	2,385,673
HKBN Ltd.	680,000	789,122

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

**Major Sales for the period ended 30 June 2015**

<b>Security Description</b>	<b>Disposals Nominal</b>	<b>Proceeds USD</b>
Wasion Group Holdings Ltd.	5,200,000	6,529,711
Persistent Systems Ltd.	445,000	5,672,138
eMemory Technology, Inc.	500,000	5,377,410
Religare Health Trust	6,000,000	4,655,068
Sunny Optical Technology Group Co. Ltd.	3,100,000	4,545,449
i-SENS, Inc.	92,000	4,368,077
Dat Xanh Real Estate Service & Construction JSC	6,420,000	4,294,781
Silverlake Axis Ltd.	4,600,000	4,219,715
GOME Electrical Appliances Holding Ltd.	31,474,732	4,208,238
Innovalues Ltd.	7,069,500	4,149,925
Beijing Urban Construction Design & Development Group Co. Ltd.	4,600,000	3,739,640
Shenzhen International Holdings Ltd.	2,700,000	3,658,802
Donaco International Ltd.	6,347,619	3,478,489
Ezion Holdings Ltd.	3,960,000	3,435,509
Ceat Ltd.	290,000	3,364,920
Beauty Community PCL	2,910,000	3,358,765
Dae Hyun Co. Ltd.	1,395,000	3,334,380
Sitronix Technology Corp.	1,025,000	3,328,064
Samart Corp. PCL	3,500,000	3,315,301
Alam Sutera Realty Tbk PT	68,000,000	3,238,535
Dynagreen Environmental Protection Group Co. Ltd.	3,674,000	3,216,506
Perfect World Co. Ltd.	160,000	3,044,915
Asian Pay Television Trust	4,504,600	2,926,578
Yoma Strategic Holdings Ltd.	9,333,333	2,925,620
Premium Leisure Corp.	78,000,000	2,865,819
KPIT Technologies Ltd.	954,594	2,849,410
Nexteer Automotive Group Ltd.	2,500,000	2,801,485
7-Eleven Malaysia Holdings Bhd.	6,321,000	2,628,195
Hoa Sen Group	1,420,000	2,606,091
Jiangnan Group Ltd.	8,300,000	2,558,016
Bona Film Group Ltd.	388,000	2,503,949
RFM Corp.	22,844,000	2,500,004
Hainan Meilan International Airport Co. Ltd.	2,923,000	2,371,182
Sound Global Ltd.	3,240,000	2,280,475
Asia Sermkij Leasing PCL	3,250,000	1,972,376
Max's Group, Inc.	3,000,000	1,762,324
Tongda Group Holdings Ltd.	9,150,000	1,751,388
Haichang Holdings Ltd.	11,500,000	1,720,113

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

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**Major Sales for the period ended 30 June 2015 (continued)**

<b>Security Description</b>	<b>Disposals Nominal</b>	<b>Proceeds USD</b>
Hanjin Kal Corp.	63,000	1,685,270
Southern Rubber Industry JSC	806,400	1,595,345
Just Dial Ltd.	72,000	1,537,742
iFAST Corp. Ltd.	1,500,000	1,521,081

**MANAGEMENT AND ADMINISTRATION**

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**BOARD OF DIRECTORS**

David Hammond\* (Irish)  
Heather Manners (British)  
Anthony Morris (British) (Alternate Director)  
Richard Hayes\* (Irish)  
\*Independent of the Investment Manager

**COMPANY NAME AND REGISTERED OFFICE**

Prusik Asian Smaller Companies Fund plc  
33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**PROMOTER , INVESTMENT MANAGER  
AND DISTRIBUTOR**

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

**ADMINISTRATOR**

Brown Brothers Harriman Fund Administration  
Services (Ireland) Limited  
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Dublin 2  
Ireland

*Until 12 April 2015*

1st Floor  
46 Hays Mews  
London, W1J 5QD  
United Kingdom

**CUSTODIAN**

Brown Brothers Harriman Trustee  
Services (Ireland) Limited  
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Dublin 2  
Ireland

**INDEPENDENT AUDITOR**

Ernst & Young  
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Ireland

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Ireland

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33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**COMPANY SECRETARY**

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