

PRUSIK UMBRELLA UCITS FUND PLC

(An open-ended investment company with variable capital established as an umbrella fund with segregated liability between sub-funds and established as a UCITS under the laws of Ireland)

Prusik Asian Equity Income Fund

**Annual Report and Audited Financial Statements
For the Financial Year Ended 31 December 2020**

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GENERAL INFORMATION

Prusik Umbrella UCITS Fund plc (the “Company”) is an open-ended umbrella investment company with variable capital and segregated liability between sub-funds, incorporated on 5 November 2010 in Ireland pursuant to Part 24 of the Companies Act 2014 and authorized by the Central Bank of Ireland (the “Central Bank”) under the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (S.I. No. 230 of 2019) (the “Central Bank UCITS Regulations”).

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

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

There is one sub-fund in existence as at 31 December 2020, the Prusik Asian Equity Income Fund (the “Fund”), which was launched on 22 December 2010.

There are nine share classes in the Fund available to investors of the Company:

- Class A US Dollar (Hedged) Non-Distributing Class (first issued on 25 March 2012)
- Class B US Dollar (Hedged) Distributing Class (first issued on 31 December 2010)
- Class C Sterling (Hedged) Distributing Class (first issued on 21 January 2011)
- Class D Singapore Dollar (Hedged) Distributing Class (first issued on 31 December 2010)
- Class E Singapore Dollar (Hedged) Distributing Class (first issued on 23 September 2011)
- Class 2 X US Dollar (Hedged) Distributing Class (first issued on 30 March 2012)
- Class 2 Y Sterling (Hedged) Distributing Class (first issued on 30 March 2012)
- Class 2 Z Singapore Dollar (Hedged) Distributing Class (first issued on 30 March 2012)
- Class U Sterling (Unhedged) Distributing Class (first issued on 1 July 2013)

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

The most recent Prospectus of the Company is dated 4 January 2021.

Investment Objective

The investment objective of the Fund is to generate a combination of income and capital growth primarily by investing in equities and other securities of companies operating in, and governmental issuers located in the Asian region and elsewhere.

In pursuit of its investment objective the Fund invests in companies operating in Asia including Australia, New Zealand, Hong Kong, Taiwan, South Korea, China, India, Sri Lanka, Pakistan, Thailand, Indonesia, Malaysia, Singapore, Vietnam and the Philippines and generally seeks to invest in companies that can be bought at an attractive discount to their intrinsic value and generate income above average dividend yields. The Fund pursues its investment objective primarily by taking long positions in publicly traded common stocks and other equity securities of Asian issuers.

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

The Fund may invest in American depositary receipts and global depositary receipts and other equity related securities and instruments, which may be over-the-counter (“OTC”) or listed (subject to a maximum of 10% of the NAV in unlisted securities), including convertible bonds, depositary receipts and warrants as well as other securities such as bonds and preference shares issued by corporate and governmental issuers (and which may be fixed or floating, and of both investment grade (BBB- or higher) or non-investment grade).

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

GENERAL INFORMATION (CONTINUED)

Investment Objective (continued)

The Fund may also invest in certain securities or markets, using forms of indirect investment including, participation notes on the underlying securities and Real Estate Investment Trusts, where such investment represents a more practical, efficient or less costly way of gaining exposure to the relevant security or market.

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

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

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

DIRECTORS' REPORT

The Directors have pleasure in submitting their annual report together with the audited financial statements for Prusik Umbrella UCITS Fund plc (the "Company") for the financial year ended 31 December 2020.

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

Directors' Responsibility Statement

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

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

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

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company, and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland, and comply with the Irish Companies Act 2014 (the "Companies Act") and the Central Bank UCITS Regulations. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Accounting Records

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

Under the Central Bank UCITS Regulations, the Directors are required to entrust the assets of the Company to a 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").

Directors' Compliance Statement

It is the policy of the Company to comply with its relevant obligations (as defined in the Companies Act). As required by Section 225(2) of the Companies Act, 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 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 2020 are set out below.

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

Directors' and Secretary's Interests

The following Directors held Shares in the Company as at 31 December 2020:

Heather Manners (Director)	241	Class E Singapore Dollar (Hedged) Distributing Class
Tony Morris (Director)	11,000	Class E Singapore Dollar (Hedged) Distributing Class
Tony Morris (Spouse)	265	Class E Singapore Dollar (Hedged) Distributing Class

Other than those disclosed above, none of the Directors, the Secretary, nor their families hold or held any beneficial interests in the Company at 31 December 2020 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 2020 are set out on pages 22 to 24. The Net Assets Attributable to Holders of Redeemable Participating Shares as at 31 December 2020 were USD 711,567,239 (USD 879,445,303: 31 December 2019).

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

Dividend and Distributions

The Directors have discretion from time to time to declare such distributions as may appear to them to be justified out of the net income accruing to the Fund in respect of each class of Shares of the Fund. The Fund has been granted reporting fund status by Her Majesty's Revenue and Customs ("HMRC"). As a consequence of the investment management fees and expenses being charged to the capital of the Fund, the capital may be eroded and the income of the Fund shall be achieved by foregoing the potential for future capital growth. Distributions made during the life of the Fund must therefore be understood as a type of capital reimbursement. Distributions paid during the year ended 31 December 2020 amounted to USD 32,406,089 (USD 40,271,112: 31 December 2019).

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 11 "Financial Risk Management" on pages 37 to 41.

Segregated Liability

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

Independent Auditors

The independent auditors, Ernst & Young Chartered Accountants, have indicated their willingness to continue in office in accordance with section 383(2) of the Companies Act 2004.

Corporate Governance Statement

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

On behalf of the Board of Directors



Richard Hayes
Director
28 April 2021



David Hammond
Director

INVESTMENT MANAGER’S REPORT

Prusik Asian Equity Income Fund Full Year Report 2020

Prusik Asian Equity Income Fund (“PAEIF”) returned -5.0% in 2020 compared to the market which returned +22.8%. The top 3 contributors were **Samsung Electronics** preference shares, **Infosys**, and **Sarana Menara Nusantara**. The biggest 3 detractors were **Swire Pacific**, **Scentre Group** and **Samsonite**.

Attribution Analysis

	Fund Weight		Fund Return (%)		Contribution		Residual	Residual	Carrying	Net
	Index	Asset	Index	Asset	Index	Asset				
Thailand	4.5%	2.0%	31.0%	12.5%	188	-38	-42	205	8	171
Philippines	3.6%	0.8%	33.2%	-2.6%	120	-7	-77	132	19	74
Singapore	5.4%	2.5%	2.7%	-7.3%	-80	-40	-76	80	-4	0
Australia	3.2%	14.2%	-17.7%	8.3%	-153	93	213	-151	-101	-38
Indonesia	6.5%	1.5%	0.0%	-7.2%	47	-32	-120	48	19	-53
South Korea	7.8%	11.4%	56.1%	46.4%	363	508	-81	45	-19	-55
India	16.6%	7.9%	3.5%	16.5%	176	110	72	-268	3	-193
Taiwan	0.0%	11.8%	0.0%	42.1%	0	461	-143	0	-85	-227
Macau	6.3%	0.2%	-23.2%	-19.5%	-188	-6	-272	-29	4	-298
China	8.8%	34.9%	-12.1%	32.2%	-134	1,165	-239	-397	-37	-673
Hong Kong	33.4%	10.4%	-15.5%	3.9%	-509	13	-339	-722	10	-1,050

Source: Bloomberg

As the table above shows, the reason for the underperformance was largely due to our Hong Kong and China portfolios. Simplistically, our underweight position in the China market combined with our lack of exposure to low yield internet stocks cost us 673bps. But, more importantly, our overweight position in Hong Kong combined with a high exposure to “physical” stocks such as real estate which were negatively affected by Covid-19 led to more than 1000bps of underperformance. In general, although we were pleased by the relatively resilience of our portfolio in absolute terms, we were not exposed to the enormous rally in “virtual” stocks in the technology sector and this led to a poor relative performance.

10-Year Anniversary

Although the original version of this strategy was conceived whilst at my previous firm, the current version of the Fund was born on 31 December 2010 with US\$2m of “friends and family” money. The aim was to create a fund that focused on generating an income in a low interest rate world by taking advantage of the fact that Asian markets tended to undervalue low risk, income producing assets as most market participants were more interested in momentum and growth stocks. And unlike most other Asian income funds at the time, the process was not just based on screening for stocks with high yields over the next 12 months, but it looked for companies that had the ability to sustain and grow dividends over the long term.

In the first quarterly report we outlined the aims of the Fund which were:

- To generate an attractive dividend yield that is higher than the market.
- To grow that dividend in real terms over time.
- To outperform the Asian market by 5-10% per year over a full cycle.

A decade later we can review whether those targets have been met:

- The dividend yield has, on average, exceeded the market by just under 200bps since inception (5.1% vs 3.2%).
- The dividend has grown by 5.8% a year since launch compared to inflation¹ which has averaged 1.8% over the same period.
- We have generated 10.4% annualised returns compared to 6.5% for the index, so a touch under 4% annualised which is below our target.

¹ US Consumer Price Inflation.

INVESTMENT MANAGER'S REPORT (CONTINUED)

Prusik Asian Equity Income Fund Full Year Report 2020 (continued)

Investors that bought on day 1 paid \$100 for their shares which have since generated \$65 per share in dividends and ended the year at \$180 having paid out just under \$8 per share in dividends for 2020.

2020 vs 2000

Today's market reminds me of the 1999/2000 tech bubble in many different ways:

- Extreme overvaluation within a narrow range of stocks.
- Optimism that the current growth prospects of internet stocks will be sustained, and no future competitor will be able to dislodge current market leaders.
- Pessimism about the growth of most other sectors in the economy.
- Temporarily increased demand for technology products (in 1999, this was due to "Y2K" spending vs today where it is due to WFH/ecommerce).
- Significant monetary support (in 1999 due to fears over Y2K).
- Momentum investing popular as investors give up following fundamentals.
- High quality stocks with no "story" being de-rated (e.g. Unilever and Diageo fell 30% in the 12 months leading up to the Nasdaq peak in March 2000).
- Retail investors very active (particularly in hot sectors).
- The invention of new ways of measuring valuation².
- No "catalyst" in sight to end the boom³.
- Value investing firms closing down after years of poor performance.

There is one sector I think, in particular, which highlights why thinking about the 1999/2000 bubble is relevant to investing today and which also explains why I think investing in unloved sectors in 2020 will likely produce superior returns over the next decade. This is the Tobacco sector.

Tobacco – The Unloved Sector

During March 2000 it was a difficult time to be a value investor. Julian Robertson had just closed his fund claiming that he didn't understand the markets anymore⁴. People had written Warren Buffett off for not buying into the tech bubble. And global tobacco stocks had fallen by 58% since the beginning of 1999 vs a 120% return from the global tech index for 178% of relative underperformance.

² We read a piece of research by one strategist suggesting that certain growth stocks could attract "infinitely high" valuations due to zero interest rates.

³ And of course even after the dot.com crash it is no clearer what the catalyst was to burst the bubble.

⁴ <https://www.nytimes.com/2000/03/31/business/the-end-of-the-game-tiger-management-old-economy-advocate-is-closing.html>.

INVESTMENT MANAGER'S REPORT (CONTINUED)

Prusik Asian Equity Income Fund Full Year Report 2020 (continued)



Source: Bloomberg



Source: Bloomberg

INVESTMENT MANAGER'S REPORT (CONTINUED)

Prusik Asian Equity Income Fund Full Year Report 2020 (continued)

Readers can probably guess what happened next. In the subsequent decade, tobacco stocks returned 558% compared to the tech sector which fell 58%.

However, what is interesting to me is **that this performance gap occurred even though the tech bulls were “right”**. I.e. the internet went on to be even bigger and more profitable than even the bulls dared predict and tobacco usage continued to decline in most developed markets as regulation on smoking became tighter and excise taxes increased. In my opinion, there are a few key reasons for this:

- **Valuation.** If you pay a high enough price, future growth will not be enough to offset a valuation de-rating. If you pay a low enough price, even modest growth can lead to excellent returns.
- **Competition.** Analysts are good at forecasting demand but often less adept at forecasting supply. High profits lead to higher competition which leads to lower returns. Disruptive companies can gain market share quickly but they can also be disrupted themselves by future competitors. On the other hand, a business like tobacco has no new competitors (who would enter a shrinking business with no ability to advertise?).
- **Capital allocation.** Tobacco companies just returned excess cash to shareholders via dividends and buybacks. Tech companies often wasted their cash flow on expensive acquisitions and unproductive research and development.

The point of this story is that it isn't about whether the internet will continue to grow in importance over the coming decade or whether sectors that are currently facing difficult operating conditions will continue to see challenges. **Rather it is just that the expectations for one versus the other are at such an extreme.** It highlights that focusing on fundamentals (rather than just narratives) is important. What are the lessons for today? I think the characteristics that led tobacco to such strong performance were the same ones that we look for today in PAEIF.

- Stable, predictable cash flows.
- Low cyclicality of earnings.
- Dominant market position.
- Good capital allocation discipline.
- Trading with significant upside to normalised valuations.

This means that we tend to favour stocks that look similar to tobacco stocks 20 years ago including:

- **Consumers** (including tobacco).
- **Telecoms** (including mobile phone towers).
- **Power Infrastructure** (Avoiding generation and focusing on transmission & distribution).
- **Real Estate** (in selected markets where we believe a significant move to WFH is less likely).
- **Toll Roads.**

Front End Charge

As you will know, we recently took the decision to remove the “temporary” front-end charge on the Class 2 and U Shares and therefore to “re-open” the Fund to existing investors for the first time since 2013. This was as a result of our traffic light system finally giving us enough green lights to do so. I believe that, because of the current risk aversion, the valuations available in the market today are as good as I have seen since late 2008. Of course, I do not know what will happen to dividends in 2021 but my focus is on what happens in 2022, 2023 and beyond. I believe that revenues and dividends for your portfolio will be higher in the future than they are today. However, the market is pricing in the opposite. I have added to my investment in the Fund on 1 April and it remains, as always, by far my single biggest investment.

INVESTMENT MANAGER'S REPORT (CONTINUED)

Prusik Asian Equity Income Fund Full Year Report 2020 (continued)

Portfolio Activity

Significant New Positions

- **CNOOC** is a Chinese Oil & Gas Exploration and Production company which offers a unique combination of low operating costs, good production growth, strong balance sheet and upstream carbon intensity which is 30% below the average of the global oil majors on Scope 1 & 2. With all in operating costs of US\$26/barrel, it is extremely profitable at the current level of oil prices. Because of the fact that the company is the subject of a executive order by Donald Trump that prevents US investors from buying the stock, **the valuation is at a distressed level and trades on a 2022 dividend yield of 9.2%** (50% pay-out ratio) despite having virtually no debt.
- **Jardine Strategic** is one of the original Hong Kong trading companies and now operates in a number of areas including real estate, consumer and automobile. The company has a long track record of consistent profitability and conservative financial management (it has a net cash balance sheet). Its capital allocation record was quite poor in the 1980s and 1990s but has improved in recent decades and the stock, even after the recent period of poor performance, has returned 14.5% annually since 1999. Trading at just 1/3 of intrinsic valuation we believe the upside potential is significant.
- **KASIKORNBANK** is one of Thailand's most conservative and well capitalised banks. Although the Thai economy has been hit hard by the downturn in tourism, which accounts for 12% of GDP, the re-opening of the world that is likely to occur as a result of the vaccine roll-out will allow a recovery in growth during 2021 and 2022. The stock is currently factoring in ROEs remaining at around 5% as the stock is trading at a Price to Book ratio of just 0.5x. We believe that ROEs can rise to 8-10% over the next several years implying a stock price that should trade at a premium to book value.
- **Dairy Farm**
 - **Dairy Farm** operates a number of grocery, convenience stores (7-11), home furnishings (IKEA) and health and beauty businesses across Asia.
 - Led by new CEO, Ian McLeod (known for turning around Coles in Australia), we believe returns are likely to improve to market levels as the company exits non-core businesses (e.g. Taiwan grocery).
- **Mindspace Business Parks REIT**
 - **Mindspace** owns several business parks in India which cater largely to multi-national companies taking advantage of India's technology workforce⁵.
 - Tenants include Accenture, Facebook, Amazon and Bank of America.
 - Low risk as market rents are 23% above contracted levels (with 4-5% annual escalations built into existing contracts). Collection rates are running at 98% for 2Q20.
 - Offering a 7.5% dividend yield with high single-digit growth in distributions and low debt (15% debt to market value).
 - Strong corporate governance (50% independent Directors, manager can be removed with 60% approval of independent shareholders).
- **Nagacorp**
 - Monopoly casino provider in Phnom Penh, Cambodia.
 - August data shows company operating at 90-95% of pre-Covid levels.
 - Has continued to pay dividends throughout downturn.
 - Free cash flow yield of 8-9% and offering a 6% dividend yield.
- **Thai Beverage**
 - Virtual monopoly in Thai Spirits business (90% market share).
 - 52% shareholding in Saigon Brewery.
 - Stock has been weak due to lockdown in Thailand but August data showed both spirits and beer business in Thailand experiencing positive year-on-year growth.
 - 14x P/E and 4% dividend yield.

⁵ India produces 2.6m STEM Graduates annually

INVESTMENT MANAGER'S REPORT (CONTINUED)

Prusik Asian Equity Income Fund Full Year Report 2020 (continued)

- **China Mobile**
 - Investing in **China Mobile** requires one to balance the conflicting positive and negative attributes. On the positive side, the company has a dominant position in the Chinese market with almost 1bn subscribers making it the world's largest mobile operator. This means the company has better coverage and generates the highest margins in the sector as telecoms remains a largely fixed cost business. The move to 5G is positive for the company as it is likely to see users consolidate their usage with just one operator. The company pays a 6.3% dividend yield and trades on a P/E ratio of 9x and an EV/EBITDA ratio of just 2.2x. Its net cash position is equal to 1/3 of current market cap and so there is scope for the cash returns to shareholders to be increased substantially. On the negative side, the company has historically been unable to capitalise on these structural advantages as the regulatory environment has always been tilted against the company as the government is keen to assist their competitors and so **China Mobile** has been unable to monetise its position. Investors fear that **China Mobile** will be forced to overspend on 5G capex because the Chinese government are keen to help Huawei. Our belief is that, at these valuation levels, the positive attributes outweigh the negatives.
- **NWS Holdings**. Hong Kong/China infrastructure asset investor trading at 6x P/E and 9% dividend yield.
- **Media Nusantara Citra**. Indonesian media company with growing digital presence trading at 6x P/E.
- **Embassy Office Parks REIT**. Blackstone-backed REIT trading at a 7.3% dividend yield growing at 10%/year.
- **KT&G**. Korean tobacco company with net cash balance sheet and offering a 5.5% dividend yield. Dividends have increased every year since listing in 1997.
- **Sun Hung Kai Properties**. Hong Kong Real Estate operator trading at 5.5% dividend yield and 0.5x Price to Book ratio.
- **Vinamilk**. Vietnam's dominant consumer company which offers a 4.0% dividend yield and net cash balance sheet.
- **PT Telkom**
 - Dominant telecom operator in Indonesia (60% market share).
 - Fast growing fixed broadband business (penetration only 9%).
 - Net cash balance sheet.
 - 5.5% dividend yield.
- **Fortune REIT**
 - Hong Kong suburban mall REIT.
 - Most tenants are non-cyclical (F&B, supermarkets – discretionary spending only 10% of total).
 - Trading at 50% discount to book value.
 - 25% debt to assets ratio, 6% dividend yield.
- **Singapore Telecom**
 - Operator of telecoms businesses across Asia with large operations in Singapore, Australia, India and Indonesia.
 - 7.5% dividend yield in a company which is effectively an arm of the Singapore government.
 - Net cash balance sheet.
 - Dividend yield of 5%.
 - Medium term growth rate of 8-10%.

INVESTMENT MANAGER'S REPORT (CONTINUED)

Prusik Asian Equity Income Fund Full Year Report 2020 (continued)

Exited Positions

- **ICTSI, Jasmine Broadband Infrastructure** were sold as the risk/reward profile had deteriorated due to strong relative price performance.
- **Samsonite and Qantas. These are positions that we believe have seen structural declines in valuations because of the Covid-19 pandemic** and that have suspended dividends.
- **HSBC and OCBC.** Both sold as we could achieve better risk/return profiles in other stocks. Post Covid environment of lower interest rates and higher credit risk reduces potential upside.
- **Singapore Exchange.** Reached our price target as current business environment led to significantly increased trading activity. We are less convinced than the market that this is a permanent uplift in earnings potential.
- **Cromwell European REIT.** Limited upside to target price. Better value in pure Asian real estate.
- **HM Sampoerna.** Reached target price.
- **Indian Energy Exchange.** Reached target price.
- **Infosys.** Reached target price.
- **Link REIT.** Switched into **Sun Hung Kai Properties** for better risk/return characteristics. We are also concerned about their capital allocation following the purchase of a London office asset.
- **Sarana Menara Nusantara.** Reached target price.
- **Travelsky.** Concern that China international travel market will recover more slowly than market is implying.

REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS

We have enquired into the conduct of Prusik Umbrella UCITS Fund plc (the “Company”) for the year ended 31 December 2020, in our capacity as Depositary to the Company.

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

Responsibilities of the Depositary

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

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

Basis of Depositary Opinion

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

- (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of the constitutional documentation and the appropriate regulations; and
- (ii) otherwise in accordance with the provisions of the Memorandum & Articles of Association and the UCITS regulations.

Opinion

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

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association, the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (“the Central Bank UCITS Regulations”); and
- (ii) otherwise in accordance with the provisions of the Memorandum & Articles of Association, the UCITS Regulations and the Central Bank UCITS Regulations.



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

28 April 2021



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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Prusik Umbrella UCITS Fund Plc ('the Company') for the year ended 31 December 2020, 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 FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland, issued in the United Kingdom by the Financial Reporting Council.

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 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 2019.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.



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

Other information

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

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

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year ended for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

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

Matters on which we are required to report by exception

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

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company.

We have nothing to report in this regard.

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

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal controls as they determine are 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 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.



David Bennett
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm

Dublin,

30 April 2021

SCHEDULE OF INVESTMENTS - Prusik Asian Equity Income Fund

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock (31 December 2019: 89.84%)					
Cambodia (31 December 2019: 0.00%)					
	8,500,000	NagaCorp Ltd.	9,745,264	11,140,279	1.57%
			9,745,264	11,140,279	1.57%
China (31 December 2019: 11.00%)					
	23,889,000	China Xinhua Education Group Ltd.	9,516,558	7,950,622	1.11%
	23,500,000	CNOOC Ltd.	21,855,788	21,765,856	3.06%
	11,467,171	Guangdong Provincial Expressway Development Co. Ltd.	10,250,274	6,405,125	0.90%
	42,000,000	Zhejiang Expressway Co. Ltd.	43,492,654	35,487,387	4.98%
			85,115,274	71,608,990	10.06%
Hong Kong (31 December 2019: 30.01%)					
	444,400	AIA Group Ltd.	2,835,376	5,446,043	0.76%
	5,500,000	China Mobile Ltd.	37,359,015	31,359,447	4.41%
	6,000,000	CK Asset Holdings Ltd.	43,464,179	30,804,755	4.33%
	6,250,000	CK Hutchison Holdings Ltd.	71,591,107	43,617,495	6.13%
	1,250,000	CK Infrastructure Holdings Ltd.	10,535,282	6,715,966	0.94%
	3,500,000	Dairy Farm International Holdings Ltd.	15,000,068	14,595,000	2.05%
	53,532,000	First Pacific Co. Ltd.	22,491,751	17,056,655	2.40%
	5,517,500	HKBN Ltd.	6,053,746	8,540,967	1.20%
	450,000	Jardine Strategic Holdings Ltd.	10,066,870	11,196,000	1.57%
	16,734,000	NWS Holdings Ltd.	15,236,240	15,520,728	2.18%
	1,200,000	Sun Hung Kai Properties Ltd.	15,484,437	15,479,776	2.18%
	27,000,000	Swire Pacific Ltd.	43,256,709	25,251,385	3.55%
			293,374,780	225,584,217	31.70%
India (31 December 2019: 10.76%)					
	26,000,000	IRB InvIT Fund	35,175,254	14,375,749	2.02%
	14,000,000	ITC Ltd.	42,823,848	40,064,324	5.63%
	5,750,000	Petronet LNG Ltd.	18,944,028	19,484,723	2.74%
	17,000,000	Power Grid Corp. of India Ltd.	42,105,685	43,856,708	6.16%
			139,048,815	117,781,504	16.55%
Indonesia (31 December 2019: 6.41%)					
	145,000,000	Cikarang Listrindo Tbk PT	16,626,257	7,327,402	1.03%
	50,000,000	Link Net Tbk PT	16,405,132	8,576,513	1.20%
	100,000,000	Media Nusantara Citra Tbk PT	6,585,494	8,113,879	1.14%
	87,500,000	Telekomunikasi Indonesia Persero Tbk PT	18,845,769	20,613,879	2.90%
			58,462,652	44,631,673	6.27%
Macau (31 December 2019: 7.19%)					
	3,500,000	Sands China Ltd.	16,117,726	15,373,353	2.16%
	7,750,000	Wynn Macau Ltd.	17,358,739	13,016,557	1.83%
			33,476,465	28,389,910	3.99%
Malaysia (31 December 2019: 0.00%)					
	3,000,000	British American Tobacco Malaysia Bhd.	8,736,666	10,500,932	1.48%
			8,736,666	10,500,932	1.48%

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

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Common Stock (31 December 2019: 89.84%) (continued)					
Philippines (31 December 2019: 2.36%)					
	246,619,000	Metro Pacific Investments Corp.	25,369,666	21,979,433	3.09%
			25,369,666	21,979,433	3.09%
Singapore (31 December 2019: 7.01%)					
	13,000,000	Singapore Telecommunications Ltd.	23,380,205	22,725,037	3.19%
			23,380,205	22,725,037	3.19%
South Korea (31 December 2019: 7.53%)					
	182,714	KT&G Corp.	11,524,969	13,977,293	1.96%
	264,884	Samsung Electronics Co. Ltd.	6,875,111	17,946,665	2.52%
			18,400,080	31,923,958	4.48%
Thailand (31 December 2019: 4.84%)					
	3,800,000	Kasikornbank PCL	9,107,053	14,332,443	2.01%
	35,000,000	Thai Beverage PCL	15,487,676	19,467,252	2.74%
	4,266,600	Tisco Financial Group PCL	10,002,443	12,603,274	1.77%
			34,597,172	46,402,969	6.52%
Vietnam (31 December 2019: 0.00%)					
	3,300,000	Vietnam Dairy Products JSC	14,060,673	15,554,640	2.19%
			14,060,673	15,554,640	2.19%
Total Common Stock			743,767,712	648,223,542	91.09%
Real Estate Investment Trusts (31 December 2019: 7.07%)					
Australia (31 December 2019: 4.43%)					
	3,266,935	Scentre Group	9,348,292	7,025,442	0.99%
			9,348,292	7,025,442	0.99%
Hong Kong (31 December 2019: 0.00%)					
	12,500,000	Fortune Real Estate Investment Trust (Hong Kong)	14,649,375	11,916,203	1.67%
			14,649,375	11,916,203	1.67%
India (31 December 2019: 0.00%)					
	3,353,600	Embassy Office Parks REIT	15,127,185	15,809,779	2.22%
	1,592,200	Mindspace Business Parks REIT	6,069,174	6,940,373	0.98%
			21,196,359	22,750,152	3.20%
Total Real Estate Investment Trusts			45,194,026	41,691,797	5.86%

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

Country	Holding	Security Description	Cost USD	Value USD	% of Net Assets
Collective Investment Schemes (31 December 2019: 0.05%)					
Ireland (31 December 2019: 0.05%)					
	400,000	UBS IRL Fund PLC Select Money Market Fund – USD	400,000	400,000	0.06%
			400,000	400,000	0.06%
Total Collective Investment Schemes			400,000	400,000	0.06%
Total Fair Value of Investments			789,361,738	690,315,339	97.01%

Forward Foreign Currency Contracts (31 December 2019: 0.04%)

Currency Bought	Amount Bought	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) USD	% of Net Assets
GBP	11	USD	(14)	28/01/2021	Brown Brothers Harriman	0	0.00%
GBP	64	USD	(86)	04/01/2021	Brown Brothers Harriman	0	0.00%
GBP	287	USD	(393)	28/01/2021	Brown Brothers Harriman	0	0.00%
GBP	2	USD	(3)	28/01/2021	Brown Brothers Harriman	0	0.00%
GBP	298	USD	(406)	28/01/2021	Brown Brothers Harriman	2	0.00%
GBP	804	USD	(1,095)	04/01/2021	Brown Brothers Harriman	5	0.00%
GBP	835	USD	(1,137)	28/01/2021	Brown Brothers Harriman	5	0.00%
GBP	725	USD	(987)	28/01/2021	Brown Brothers Harriman	5	0.00%
GBP	306	USD	(414)	28/01/2021	Brown Brothers Harriman	5	0.00%
GBP	2,233	USD	(3,040)	04/01/2021	Brown Brothers Harriman	13	0.00%
GBP	1,054	USD	(1,417)	28/01/2021	Brown Brothers Harriman	24	0.00%
GBP	1,115	USD	(1,499)	28/01/2021	Brown Brothers Harriman	25	0.00%
GBP	6,103	USD	(8,311)	04/01/2021	Brown Brothers Harriman	34	0.00%
GBP	6,765	USD	(9,210)	04/01/2021	Brown Brothers Harriman	40	0.00%
GBP	8,199	USD	(11,162)	04/01/2021	Brown Brothers Harriman	49	0.00%
SGD	16,530	USD	(12,440)	28/01/2021	Brown Brothers Harriman	69	0.00%
GBP	2,527	USD	(3,347)	28/01/2021	Brown Brothers Harriman	109	0.00%
GBP	24,179	USD	(32,926)	04/01/2021	Brown Brothers Harriman	135	0.00%
SGD	53,917	USD	(40,575)	28/01/2021	Brown Brothers Harriman	227	0.00%
SGD	60,650	USD	(45,625)	28/01/2021	Brown Brothers Harriman	272	0.00%
SGD	197,825	USD	(148,818)	28/01/2021	Brown Brothers Harriman	887	0.00%
SGD	1,675,454	USD	(1,260,735)	28/01/2021	Brown Brothers Harriman	7,167	0.00%
GBP	451,120	USD	(609,549)	28/01/2021	Brown Brothers Harriman	7,400	0.00%
GBP	574,406	USD	(776,132)	28/01/2021	Brown Brothers Harriman	9,423	0.00%
SGD	5,464,947	USD	(4,112,230)	28/01/2021	Brown Brothers Harriman	23,377	0.00%
GBP	1,400,047	USD	(1,888,867)	28/01/2021	Brown Brothers Harriman	25,831	0.00%
GBP	38,502,250	USD	(52,039,565)	28/01/2021	Brown Brothers Harriman	615,966	0.09%
GBP	48,697,827	USD	(65,819,885)	28/01/2021	Brown Brothers Harriman	779,076	0.11%
Total unrealised gains on Forward Foreign Currency Contracts						1,470,146	0.21%
Total Financial Assets at Fair Value through Profit or Loss						691,785,485	97.22%

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

Forward Foreign Currency Contracts (31 December 2019: 0.04%) (continued)

Currency Bought	Amount Bought	Currency Sold	Amount Sold	Maturity Date	Counterparty	Unrealised Gain/(Loss) USD	% of Net Assets
USD	86	GBP	(64)	28/01/2021	Brown Brothers Harriman	(0)	0.00%
USD	13,631	GBP	(9,967)	28/01/2021	Brown Brothers Harriman	(1)	0.00%
USD	208	GBP	(154)	28/01/2021	Brown Brothers Harriman	(2)	0.00%
USD	369	GBP	(273)	28/01/2021	Brown Brothers Harriman	(4)	0.00%
USD	416	GBP	(308)	28/01/2021	Brown Brothers Harriman	(4)	0.00%
USD	1,137	GBP	(835)	04/01/2021	Brown Brothers Harriman	(5)	0.00%
USD	2,024	GBP	(1,487)	28/01/2021	Brown Brothers Harriman	(10)	0.00%
USD	9,211	GBP	(6,765)	28/01/2021	Brown Brothers Harriman	(41)	0.00%
USD	11,756	GBP	(8,633)	04/01/2021	Brown Brothers Harriman	(48)	0.00%
USD	11,163	GBP	(8,199)	28/01/2021	Brown Brothers Harriman	(50)	0.00%
USD	25,337	GBP	(18,606)	04/01/2021	Brown Brothers Harriman	(104)	0.00%
USD	27,161	GBP	(19,946)	04/01/2021	Brown Brothers Harriman	(112)	0.00%
USD	30,404	GBP	(22,328)	04/01/2021	Brown Brothers Harriman	(125)	0.00%
USD	30,404	GBP	(22,328)	04/01/2021	Brown Brothers Harriman	(125)	0.00%
USD	12,825	GBP	(9,538)	28/01/2021	Brown Brothers Harriman	(219)	0.00%
USD	21,178	GBP	(15,674)	28/01/2021	Brown Brothers Harriman	(258)	0.00%
USD	30,863	GBP	(22,842)	28/01/2021	Brown Brothers Harriman	(376)	0.00%
USD	82,977	GBP	(60,965)	28/01/2021	Brown Brothers Harriman	(398)	0.00%
USD	142,090	GBP	(104,344)	04/01/2021	Brown Brothers Harriman	(584)	0.00%
USD	40,030	GBP	(29,765)	28/01/2021	Brown Brothers Harriman	(677)	0.00%
USD	216,579	GBP	(159,045)	04/01/2021	Brown Brothers Harriman	(890)	0.00%
USD	57,751	GBP	(42,942)	28/01/2021	Brown Brothers Harriman	(976)	0.00%
USD	57,720	GBP	(42,924)	28/01/2021	Brown Brothers Harriman	(984)	0.00%
USD	205,522	GBP	(151,001)	28/01/2021	Brown Brothers Harriman	(986)	0.00%
USD	99,370	GBP	(73,443)	28/01/2021	Brown Brothers Harriman	(1,070)	0.00%
USD	253,356	GBP	(186,146)	28/01/2021	Brown Brothers Harriman	(1,217)	0.00%
USD	113,110	GBP	(83,597)	28/01/2021	Brown Brothers Harriman	(1,218)	0.00%
USD	140,743	GBP	(106,257)	28/01/2021	Brown Brothers Harriman	(4,574)	0.00%
Total unrealised losses on Forward Foreign Currency Contracts						(15,058)	0.00%
Total Financial Liabilities at Fair Value through Profit or Loss						(15,058)	0.00%
						Value USD	% of Net Assets
Cash						8,961,453	1.26%
Other Net Assets						10,835,359	1.52%
Net Assets Attributable to Holders of Redeemable Participating Shares						711,567,239	100.00%

BALANCE SHEET - Prusik Asian Equity Income Fund

	Notes	As at 31 December 2020 USD	As at 31 December 2019 USD
Assets			
Financial assets, at cost		789,361,738	835,573,766
Financial assets at fair value through profit or loss			
- Transferable securities		648,223,542	790,128,707
- Collective investment schemes and Real Estate			
Investment Trusts		42,091,797	62,556,433
- Financial derivative instruments		1,470,146	335,699
Cash	8	8,961,453	37,080,994
Receivable for investments sold		8,944,547	-
Dividends receivable		2,261,322	912,345
Subscriptions receivable		949,558	197,036
Other assets		4,334	423
Total assets		712,906,699	891,211,637
Liabilities			
Financial liabilities at fair value through profit or loss			
- Financial derivative instruments		15,058	6,547
Payable for investments purchased		-	10,070,822
Redemptions payable		400,922	111,460
Investment management fees	2	602,159	756,190
Administration fees	3	64,582	93,696
Depositary fees	4	89,458	94,685
Directors' fees	5	8,827	4,554
Audit fees	6	19,474	18,273
Performance fees	2	4,443	4,688
Professional fees		85,568	71,130
Indian capital gains tax	9	-	521,026
Other liabilities		48,969	13,263
Total liabilities		1,339,460	11,766,334
Net Assets Attributable to Holders of Redeemable Participating Shares		711,567,239	879,445,303

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

BALANCE SHEET - Prusik Asian Equity Income Fund (continued)

		As at Notes 31 December 2020		As at 31 December 2019		As at 31 December 2018	
Class A US Dollar (Hedged) Non-Distributing Class							
Net Assets	USD	2,767,972	USD	3,582,857	USD	3,866,770	
Outstanding Redeemable Participating Shares		10,029		12,338		14,817	
Net Asset Value per Share	USD	276.00	USD	290.39	USD	261.02	
Class B US Dollar (Hedged) Distributing Class							
Net Assets	USD	57,349,837	USD	79,566,417	USD	101,092,738	
Outstanding Redeemable Participating Shares		118,734		401,378		341,819	
Net Asset Value per Share	USD	180.14	USD	198.13	USD	188.58	
Class C Sterling (Hedged) Distributing Class							
Net Assets	GBP	48,599,186	GBP	72,333,340	GBP	78,360,682	
Outstanding Redeemable Participating Shares		292,513		384,881		432,460	
Net Asset Value per Share	GBP	166.14	GBP	187.94	GBP	181.14	
Class D Singapore Dollar (Hedged) Distributing Class							
Net Assets	SGD	3,611,601	SGD	6,288,067	SGD	5,974,246	
Outstanding Redeemable Participating Shares		33,541		33,622		33,622	
Net Asset Value per Share	SGD	108.00	SGD	187.02	SGD	177.69	
Class E Singapore Dollar (Hedged) Distributing Class							
Net Assets	SGD	24,673,487	SGD	23,664,719	SGD	20,255,114	
Outstanding Redeemable Participating Shares		73,164		67,970		64,977	
Net Asset Value per Share	SGD	328.26	SGD	348.16	SGD	311.61	
Class 2 X US Dollar (Hedged) Distributing Class							
Net Assets	USD	303,677,954	USD	519,409,185	USD	492,900,481	
Outstanding Redeemable Participating Shares		1,899,209		2,034,513		2,977,167	
Net Asset Value per Share	USD	160.04	USD	177.00	USD	166.08	
Class 2 Y Sterling (Hedged) Distributing Class							
Net Assets	GBP	39,194,129	GBP	51,775,297	GBP	59,203,520	
Outstanding Redeemable Participating Shares		262,961		607,527		327,459	
Net Asset Value per Share	GBP	149.05	GBP	168.36	GBP	162.48	
Class 2 Z Singapore (Hedged) Distributing Class							
Net Assets	SGD	1,727,980	SGD	2,603,443	SGD	2,130,399	
Outstanding Redeemable Participating Shares		11,084		13,346		12,923	
Net Asset Value per Share	SGD	155.80	SGD	173.52	SGD	164.85	
Class U Sterling (Unhedged) Distributing Class							
Net Assets	GBP	147,364,137	GBP	68,038,499	GBP	62,603,087	
Outstanding Redeemable Participating Shares		998,034		403,880		379,825	
Net Asset Value per Share	GBP	148.25	GBP	169.30	GBP	164.82	

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



Richard Hayes
Director
18 April 2021



David Hammond
Director

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

PROFIT AND LOSS ACCOUNT - Prusik Asian Equity Income Fund

	Notes	For the year ended 31 December 2020 USD	For the year ended 31 December 2019 USD
Investment income			
Dividend income		36,608,190	39,953,199
Interest income		27,244	583,758
Miscellaneous income		315,335	9,420
Net realised gain on financial assets and liabilities at fair value through profit or loss		37,469,197	37,662,583
Movement in net unrealised (loss)/gain on financial assets and liabilities at fair value through profit or loss		(115,009,441)	30,975,158
Total (loss)/income		(40,589,475)	109,184,118
Expenses			
Investment management fees	2	6,821,684	8,638,364
Administration fees	3	325,160	351,493
Depositary fees	4	422,982	497,059
Directors' fees	5	38,382	35,970
Audit fees	6	19,506	18,515
Professional fees		198,602	124,738
Performance fees	2	188	40,548
Research fees	10	542,511	600,902
Transaction costs		1,624,864	1,022,202
Other expenses		58,555	44,589
Total expenses		10,052,434	11,374,380
Net (expense)/income before finance costs		(50,641,909)	97,809,738
Finance costs			
Overdraft interest		(694)	(550)
Distributions paid		(32,406,089)	(40,271,112)
Indian capital gains tax	9	(532,908)	(860,945)
Total finance costs		(32,939,691)	(41,132,607)
Withholding tax on dividends		(3,282,093)	(2,019,863)
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations		(86,863,693)	54,657,268

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

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

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

	Notes	For the year ended 31 December 2020 USD	For the year ended 31 December 2019 USD
Change in Net Assets Attributable to Holders of Redeemable Participating Shares from Operations		(86,863,693)	54,657,268
Issue and redemption of Redeemable Participating Shares			
Proceeds from issuance of Redeemable Participating Shares	1	201,566,903	50,698,771
Payments on redemption of Redeemable Participating Shares	1	(282,581,427)	(92,017,503)
Issuance of Redeemable Participating Shares in exchange for cancellation of performance fee equalization credits	2	153	39,910
Net decrease from issue and redemption of Redeemable Participating Shares		<u>(81,014,371)</u>	<u>(41,278,822)</u>
Change in Net Assets Attributable to Holders of Redeemable Participating Shares		(167,878,064)	13,378,446
Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the year		879,445,303	866,066,857
Net Assets Attributable to Holders of Redeemable Participating Shares at the end of the year		<u>711,567,239</u>	<u>879,445,303</u>

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 2019 (S.I. No. 230 of 2019) (the “Central Bank UCITS Regulations”). The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention, as modified by the reduction of financial assets and financial liabilities at fair value through profit or loss and they comply with accounting standards issued by the Financial Reporting Council, 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 24 and 25, respectively.

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

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

(i) Classification

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

Financial assets and financial liabilities held for trading

These include equities, warrants and forward foreign currency contracts held by the Company. These instruments are acquired or incurred principally for the purpose of generating a profit from short-term fluctuation in price. All the Company’s assets and liabilities are held for the purpose of being traded or are expected to be realised within one year. There were no such financial instruments held for trading by the Company at the year end.

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

These include Financial Assets or Financial Liabilities that are not held for trading. These financial instruments are designated on the basis that their fair value can be reliably measured and their performance has been evaluated on a fair value basis in accordance with the risk management and/or investment strategy as set out in the Company’s Prospectus.

(ii) Recognition

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

Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss are included in the Profit and Loss Account in the year in which they arise.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(iii) Derecognition

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

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

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

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

(iv) Initial Measurement

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

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

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

(v) Subsequent Measurement

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

Cash and other Liquid Assets

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

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 2020 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 Company records a realised gain or loss equal to the difference between the value at the time the contract was opened and the value at the time it was closed.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Assets and Financial Liabilities at Fair Value through Profit or Loss (continued)*Forward Foreign Currency Contracts (continued)*

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

Collective Investment Schemes and Real Estate Investment Trusts

Units in collective investment schemes and real estate investment trusts shall be valued at the latest available net asset value per unit or bid price as published by the relevant real estate investment trusts or, if traded on a recognised exchange, in accordance with listed securities above. The collective investment schemes and real estate investment trusts held by the Company as at 31 December 2020 are included in the Schedule of Investments.

Warrants

The Company may invest in warrants. Warrants which are fully paid up and have a zero strike price exhibit the identical risk and return characteristics as in the case where the Company had acquired the underlying equity directly. Such warrants are valued at the last bid price for the underlying equity quoted on the stock exchange or principal market on which it is listed or, if the bid price is unavailable or unrepresentative, the last available mid price on such stock exchange or market. The Company did not hold any warrants as at 31 December 2020.

Distributions Payable to Holders of Redeemable Participating Shares

The Company received reporting fund status from HMRC with effect from 31 December 2010. In the event that a distribution is paid, it will be paid out of the net investment income and/or net realised and unrealised capital gains (i.e. realised and unrealised gains net of realised and unrealised losses) of the Fund. The Directors have discretion from time to time to declare such dividends as may appear to them to be justified out of the net income and gains accruing to the Fund in respect of each class of Shares of the Fund. As a consequence of the investment management fees and expenses being charged to the capital of the Fund, the capital may be eroded and the level of income available for distribution of the Fund may be achieved by foregoing the potential of future capital growth. Distributions made during the life of the Fund must therefore be understood as partially, at least, a type of capital reimbursement. Distributions paid or payable during the year ended 31 December 2020 were USD 32,406,089 (USD 40,271,112: 31 December 2019).

The following table summarises the dividends distributed by the Company out of the Fund during the year ended 31 December 2020:

Share Class	Ex-Date	Distribution per Share USD
Class B US Dollar (Hedged) Distributing Class	2 January 2020	3.1053
	1 July 2020	4.5504
Class C Sterling (Hedged) Distributing Class	2 January 2020	3.6978
	1 July 2020	5.4025
Class D Singapore Dollar (Hedged) Distributing Class	2 January 2020	2.1341
	1 July 2020	3.0351
Class 2 X US Dollar (Hedged) Distributing Class	2 January 2020	2.7741
	1 July 2020	4.0564
Class 2 Y Sterling (Hedged) Distributing Class	2 January 2020	3.3124
	1 July 2020	4.8317
Class 2 Z Singapore Dollar (Hedged) Distributing Class	2 January 2020	1.9800
	1 July 2020	2.8158
Class U Sterling (Unhedged) Distributing Class	2 January 2020	3.5208
	1 July 2020	5.1649

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Distributions Payable to Holders of Redeemable Participating Shares (continued)

The following table summarises the dividends distributed by the Company out of the Fund during the year ended 31 December 2019:

Share Class	Ex-Date	Distribution per Share USD
Class B US Dollar (Hedged) Distributing Class	2 January 2019	3.5864
	1 July 2019	5.4170
Class C Sterling (Hedged) Distributing Class	2 January 2019	4.4984
	1 July 2019	6.7000
Class D Singapore Dollar (Hedged) Distributing Class	2 January 2019	2.5042
	1 July 2019	3.7584
Class 2 X US Dollar (Hedged) Distributing Class	2 January 2019	3.2043
	1 July 2019	4.8392
Class 2 Y Sterling (Hedged) Distributing Class	2 January 2019	4.0296
	1 July 2019	6.0026
Class 2 Z Singapore Dollar (Hedged) Distributing Class	2 January 2019	2.3234
	1 July 2019	3.4869
Class U Sterling (Unhedged) Distributing Class	2 January 2019	4.0191
	1 July 2019	6.0821

Foreign Exchange Translation*Functional and Presentation Currency*

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

Transactions and Balances

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

Investment Transactions and Investment Income

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

Interest Income and Interest Expenses

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

Dividend Income

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

Transaction Costs

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenses

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

Offsetting financial instruments

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

Subscriptions Receivable & Redemptions Payable

Subscriptions receivable represents amounts for transactions contracted for but not yet paid for by the end of the year. These amounts are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition. The carrying amount approximates to their fair value.

Shareholders may redeem their Shares on and with effect from any Dealing Day at the Net Asset Value per Share calculated on or with respect to the relevant Dealing Day by serving a Redemption Notice on the Administrator. No redemption payment will be made until the original subscription application form and all documentation required by or on behalf of the Company has been received from the investor and the anti-money laundering procedures have been completed.

NOTES TO THE FINANCIAL STATEMENTS

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 Shareholders exercised the right to redeem.

The movement in the number of redeemable participating shares for the year ended 31 December 2020 is as follows:

	Class A US Dollar (Hedged) Non- Distributing Class Shares	Class B US Dollar (Hedged) Distributing Class Shares	Class C Sterling (Hedged) Distributing Class Shares
At the beginning of the year	12,338	401,578	384,881
Redeemable Participating Shares issued	–	7,283	5,069
Redeemable Participating Shares redeemed	(2,309)	(90,507)	(97,435)
At the end of the year	10,029	318,354	292,515

	Class D Singapore Dollar (Hedged) Distributing Class Shares	Class E Singapore Dollar (Hedged) Distributing Class Shares	Class 2 X US Dollar (Hedged) Distributing Class Shares
At the beginning of the year	33,622	67,970	2,934,513
Redeemable Participating Shares issued	–	7,279	312,986
Redeemable Participating Shares redeemed	(81)	(85)	(1,348,290)
At the end of the year	33,541	75,164	1,899,209

	Class 2 Y Sterling (Hedged) Distributing Class Shares	Class 2 Z Singapore (Hedged) Distributing Class Shares	Class U Sterling (Unhedged) Distributing Class Shares
At the beginning of the year	307,527	11,546	401,880
Redeemable Participating Shares issued	48,668	–	826,949
Redeemable Participating Shares redeemed	(93,234)	(462)	(234,795)
At the end of the year	262,961	11,084	994,034

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Share Capital (continued)

Redeemable Participating Shares (continued)

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

	Class A US Dollar (Hedged) Non-Distributing Class Shares	Class B US Dollar (Hedged) Distributing Class Shares	Class C Sterling (Hedged) Distributing Class Shares
At the beginning of the year	14,815	541,819	432,589
Redeemable Participating Shares issued	–	8,196	5,327
Redeemable Participating Shares redeemed	(2,477)	(148,437)	(53,035)
At the end of the year	12,338	401,578	384,881

	Class D Singapore Dollar (Hedged) Distributing Class Shares	Class E Singapore Dollar (Hedged) Distributing Class Shares	Class 2 X US Dollar (Hedged) Distributing Class Shares
At the beginning of the year	33,622	64,575	2,957,167
Redeemable Participating Shares issued	–	4,030	136,140
Redeemable Participating Shares redeemed	–	(635)	(158,794)
At the end of the year	33,622	67,970	2,934,513

	Class 2 Y Sterling (Hedged) Distributing Class Shares	Class 2 Z Singapore Dollar (Hedged) Distributing Class Shares	Class U Sterling (Unhedged) Distributing Class Shares
At the beginning of the year	327,439	12,923	379,825
Redeemable Participating Shares issued	43,730	–	61,553
Redeemable Participating Shares redeemed	(63,642)	(1,377)	(39,498)
At the end of the year	307,527	11,546	401,880

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

Holders of the Distributing Classes are entitled to receive all dividends declared and paid by the Company. Upon winding up, the holders of all of the Classes are entitled to a return of capital based on the NAV per share of the respective Class of shares held by each shareholder.

2. Investment Management Fees

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Investment Management Fees (continued)

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

The Investment Manager earned a fee of USD 6,821,684 during the year ended 31 December 2020 (USD 8,638,364: 31 December 2019), of which USD 602,159 is outstanding at the year end (USD 756,190: 31 December 2019).

Performance fee and equalization

Under the terms of the Company's Prospectus, Prusik Investment Management LLP, the Investment Manager, has been entitled to receive, on a quarterly basis, a performance fee (the "Performance Fee") (if due) out of the assets of the Fund in respect of Share Classes 2X, 2Y, 2Z and Class U. Following a regulatory change, with effect from 1st January 2021, any Performance Fee due in respect of these classes will now be calculated annually in respect of the period ending on 31 December in each year (a "Calculation Period"), rather than at each calendar quarter as previously. The Performance Fee will be deemed to accrue at each Valuation Point. An updated prospectus incorporating this change can be accessed on the Investment Manager's website.

The Performance Fee in respect of each share class will be equal to 10% of the net percentage outperformance by the relevant share class to the Index performance during the Calculation Period. The A US Dollar (Hedged) Non-Distributing Class, B US Dollar (Hedged) Distributing Class, C Sterling (Hedged) Distributing Class, D Singapore Dollar (Hedged) Distributing Class and E Singapore Dollar (Hedged) Distributing Class do not attract a performance fee.

The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value before deduction for any accrued Performance Fee. The Performance Fee will normally be payable to the Investment Manager in arrears within 14 days of the end of each Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will be payable within 14 days after the date of redemption.

If the Investment Management Agreement is terminated during a Calculation Period, the Performance Fee in respect of the current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period. The Performance Fee will be calculated on a Share-by-Share basis so that each Share is charged a Performance Fee which equates precisely with that Share's performance.

For further details on the Performance Fee calculations and Equalisation Credits please refer to the Prospectus. The Investment Manager may, at its sole discretion, agree with any Shareholder, to rebate, return and or remit any part of the Management and Performance Fee which is paid or payable to the Investment Manager. Details of the Performance fees and Equalisation fees, if any charged to the Company and payable at the end of the year are included in the Profit and Loss Account and Balance Sheet, respectively.

A Performance Fee of USD 188 was earned during the year ended 31 December 2020 (USD 40,548: 31 December 2019), which includes USD 153 due to the issuance of redeemable participating shares in exchange for cancellation of performance fee equalisation credits (USD 39,910: 31 December 2019). The performance fee outstanding at the end of the year was USD 4,443 (USD 4,688: 31 December 2019).

3. Administration Fees

The Company pays Brown Brothers Harriman Fund Administration Services (Ireland) Limited (the "Administrator") an annual fee of 0.04% of the NAV of the Company if the NAV is less than USD 200,000,000, 0.03% of any increment greater than USD 200,000,000 and less than USD 400,000,000, and 0.02% of any increment greater than USD 400,000,000 (plus VAT, if any), subject to a minimum monthly charge of USD 4,000. Additional Classes in excess of two Classes per Fund shall be charged at USD 500 per month. The Administrator is also entitled to receive registration fees and transaction and reporting charges at normal commercial rates which shall accrue daily and be paid monthly in arrears.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Administration Fees (continued)

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

The Administrator earned a fee of USD 325,160 during the year ended 31 December 2020 (USD 351,493: 31 December 2019) of which USD 64,582 is outstanding at the year end (USD 93,696: 31 December 2019).

4. Depositary Fees

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

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

The Depositary earned a fee of USD 422,982 during the year ended 31 December 2020 (USD 497,059: 31 December 2019), of which USD 89,458 is outstanding at the year end (USD 94,685: 31 December 2019).

5. Directors' Fees

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

The Directors in aggregate earned fees of USD 38,382 for the year ended 31 December 2020 (USD 35,970: 31 December 2019), of which USD 8,827 is outstanding at the year end (USD 4,554: 31 December 2019).

6. Auditors Remuneration

Audit fees charged to the Profit and Loss Account for the year ended 31 December 2020 amounted to USD 19,506 (USD 18,515: 31 December 2019) of which USD 19,474 is outstanding at the year end (USD 18,273: 31 December 2019). 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 2020 and 31 December 2019 was as follows:

	Year ended 31 December 2020	Year ended 31 December 2019
	USD	USD
Statutory audit fees	19,506	18,515

7. Related Parties

Directors

Heather Manners, a Director of the Company, was Chief Investment Officer of the Investment Manager during the period of her appointment as a Director of the Company and has not been paid a director's fee for the years ended 31 December 2020 and 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Related Parties (continued)

Tony Morris, an Alternate Director for Heather Manners during the period of her appointment as a Director is also a partner and is Chief Operating Officer and Head of Trading of the Investment Manager and has not been paid a director's fee for the years ended 31 December 2020 and 31 December 2019.

The following Directors and related parties held Shares in the Company as at 31 December 2020:

Related Party	Shares held	Share Class
Mark Dwerryhouse (employee of the Investment Manager)	235	Class E Singapore Dollar (Hedged) Distributing Class
Mark Dwerryhouse (Spouse)	779	Class E Singapore Dollar (Hedged) Distributing Class
Heather Manners	241	Class E Singapore Dollar (Hedged) Distributing Class
Tony Morris (Spouse)	265	Class E Singapore Dollar (Hedged) Distributing Class
Tony Morris	11,000	Class E Singapore Dollar (Hedged) Distributing Class
Thomas Naughton (Partner of the Investment Manager)	59,857	Class E Singapore Dollar (Hedged) Distributing Class
Amirah Rani (employee of the Investment Manager)	849	Class E Singapore Dollar (Hedged) Distributing Class
Prusik Investment Management LLP	897	Class E Singapore Dollar (Hedged) Distributing Class
Prusik Investment Management Singapore Pte Ltd.	420	Class E Singapore Dollar (Hedged) Distributing Class
Zhao Bofeng (employee of the Investment Manager)	176	Class E Singapore Dollar (Hedged) Distributing Class
William Tan (Spouse) (employee of the Investment Manager)	337	Class E Singapore Dollar (Hedged) Distributing Class
William Tan (employee of the Investment Manager)	15	Class E Singapore Dollar (Hedged) Distributing Class

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

Related Party	Shares held	Share Class
Mark Dwerryhouse (employee of the Investment Manager)	123	Class E Singapore Dollar (Hedged) Distributing Class
Mark Dwerryhouse (Spouse)	779	Class E Singapore Dollar (Hedged) Distributing Class
Heather Manners	2,187	Class C Sterling (Hedged) Distributing Class
Heather Manners	241	Class E Singapore Dollar (Hedged) Distributing Class
Tony Morris (Spouse)	265	Class E Singapore Dollar (Hedged) Distributing Class
Tony Morris	9,500	Class E Singapore Dollar (Hedged) Distributing Class
Thomas Naughton (Partner of the Investment Manager)	55,137	Class E Singapore Dollar (Hedged) Distributing Class
Amirah Rani (employee of the Investment Manager)	759	Class E Singapore Dollar (Hedged) Distributing Class
Prusik Investment Management LLP	442	Class E Singapore Dollar (Hedged) Distributing Class
Prusik Investment Management Singapore Pte Ltd.	209	Class E Singapore Dollar (Hedged) Distributing Class
Zhao Bofeng (employee of the Investment Manager)	86	Class E Singapore Dollar (Hedged) Distributing Class
William Tan (Spouse) (employee of the Investment Manager)	337	Class E Singapore Dollar (Hedged) Distributing Class

8. Cash

Cash balances were held with the following institutions:

	31 December 2020	31 December 2019
	USD	USD
Brown Brothers Harriman & Co.	99,581*	10,089,148*
Citibank	8,861,872	26,991,846
	<u>8,961,453*</u>	<u>37,080,994*</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Cash (continued)

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

As at 31 December 2020 the amount included in respect of subscription and redemption payments held in the Company's collection account in Cash and Other assets was USD 5 (USD 931: 31 December 2019).

9. Taxation

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

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

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

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

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

Dividend income, interest and capital gains (if any) which the Company receives with respect to investments may be subject to taxes, including non-recoverable withholding tax, in the countries of origin. Indian capital gains tax paid during the year ended 31 December 2020 was USD 532,908 (USD 860,945: 31 December 2019), of which USD Nil is outstanding at the year end (USD 521,026: 31 December 2019).

10. Payment for Research

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

During the year ended 31 December 2020, the Investment Manager did not make direct payment for these services but does maintain and control a research payment account funded by the specific charge to the Company. The amount charged to the Company was USD 542,511 during the year ended (USD 600,902: 31 December 2019), of which USD Nil is outstanding at the year end (USD Nil: 31 December 2019).

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

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

11. Efficient Portfolio Management

During the year ended 31 December 2020 the Company did not hold any instruments for the purposes of efficient portfolio management (31 December 2019: None).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Exchange Rates

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

	31 December 2020	31 December 2019
Australian Dollar	1.2927	1.4264
British Pound Sterling	0.7313	0.7591
Euro	0.8144	0.8914
Hong Kong Dollar	7.7521	7.7868
Indian Rupee	73.0675	71.3425
Indonesian Rupiah	14,050.0000	13,882.5000
Malaysian Ringgit	4.0225	–
Philippine Peso	48.0235	50.6450
Singapore Dollar	1.3215	1.3456
South Korean Won	1,086.3000	1,156.4500
Thailand Baht	29.9600	29.9538
Vietnamese Dong	23,082.5000	–

13. Financial Risk Management

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

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

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

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

a) Market Risk

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

(i) Market Price Risk

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Financial Risk Management (continued)**a) Market Risk (continued)****(i) Market Price Risk (continued)**

A 5% increase or decrease in the market price of investments at 31 December 2020, 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 34,588,521 (USD 42,650,715: 31 December 2019).

The Company's concentration of equity price risk by geographical distribution can be seen in the Schedule of Investments on pages 18 to 21.

(ii) Currency Risk

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

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

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

The table below sets out the Company's total exposure to foreign currency at the year ended 31 December 2020, including sensitivity analysis.

	Cash	Non-Cash	Total USD	Effect on Net Assets of 5% Change in Foreign Exchange Rate (stated in USD)
Australian Dollar	120	7,025,442	7,025,562	351,278
British Pound Sterling	–	121,563,152	121,563,152	6,078,158
Hong Kong Dollar	2,055	328,745,803	328,747,858	16,437,393
Indian Rupee	–	141,363,468	141,363,468	7,068,173
Indonesian Rupiah	–	44,631,673	44,631,673	2,231,584
Malaysian Ringgit	–	10,500,932	10,500,932	525,047
Philippine Peso	–	21,979,433	21,979,433	1,098,972
Singapore Dollar	206	48,346,430	48,346,636	2,417,332
South Korean Won	–	35,899,089	35,899,089	1,794,954
Thailand Baht	–	26,935,718	26,935,718	1,346,786
Vietnamese Dong	75,217	15,554,640	15,629,857	781,493

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Financial Risk Management (continued)

a) Market Risk (continued)

(ii) Currency Risk (continued)

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

	Cash	Non-Cash	Total USD	Effect on Net Assets of 5% Change in Foreign Exchange Rate (stated in USD)
Australian Dollar	78	38,930,893	38,930,971	1,946,549
British Pound Sterling	680	161,399,886	161,400,566	8,070,028
Euro	–	23,225,541	23,225,541	1,161,277
Hong Kong Dollar	1,475	448,481,573	448,483,048	22,424,152
Indian Rupee	10,070,822	84,469,777	94,540,599	4,727,030
Indonesian Rupiah	–	56,358,203	56,358,203	2,817,910
Philippine Peso	–	20,778,922	20,778,922	1,038,946
Singapore Dollar	191	67,858,090	67,858,281	3,392,914
South Korean Won	–	66,608,291	66,608,291	3,330,415
Thailand Baht	–	42,573,079	42,573,079	2,128,654

(iii) Interest Rate Risk

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

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

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

At 31 December 2020 and 31 December 2019, the Fund's interest rate risk exposure was limited to the interest on its cash, 31 December 2020: USD 8,961,453 (31 December 2019: USD 37,080,994). At 31 December 2020 and 31 December 2019, the Fund did not have material interest rate exposure.

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 2020 and 31 December 2019 are detailed on the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Financial Risk Management (continued)

b) Credit Risk (continued)

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

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

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

The credit ratings are outlined below for the following institutions:

	Moody's 31 December 2020	Moody's 31 December 2019
Brown Brothers Harriman & Co.	F1*	F1*
Citibank	Aa3	Aa3

*Fitch rating.

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

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

The Company invests in equity securities and has limited or no exposure to credit risk on its investments. However the Company has exposure to credit risk on any cash balances and forward foreign exchange positions held for share class currency hedging purposes. The notional amount as at 31 December 2020 was USD 129,937,439 (USD 169,490,179: 31 December 2019).

c) Liquidity Risk

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

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

The tables below and overleaf analyse the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the tables below and overleaf are the contractual undiscounted cash flows. Detailed analyses of the Company's assets are not shown as they

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Financial Risk Management (continued)

c) Liquidity Risk (continued)

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 2020

	Less than or equal to 1 month USD	More than 1 month USD	Total USD
Redemptions payable	400,922	–	400,922
Other payables	–	923,480	923,480
Redeemable Participating Shares	711,567,239	–	711,567,239
Total	711,968,161	923,480	712,891,641
<i>Forward foreign currency exchange contracts</i>			
Payables	1,652,481	–	1,652,481
Receivables	(1,637,423)	–	(1,637,423)
Net	15,058	–	15,058
Total	711,983,219	923,480	712,906,699

31 December 2019

	Less than or equal to 1 month USD	More than 1 month USD	Total USD
Payable for investments purchased	10,070,822	–	10,070,822
Redemptions payable	111,460	–	111,460
Other payables	–	1,577,505	1,577,505
Redeemable Participating Shares	879,445,303	–	879,445,303
Total	889,627,585	1,577,505	891,205,090
<i>Forward foreign currency exchange contracts</i>			
Payables	718,665	–	718,665
Receivables	(712,118)	–	(712,118)
Net	6,547	–	6,547
Total	889,634,132	1,577,505	891,211,637

d) Fair Value Estimation

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

The fair value hierarchy has the following levels:

- (i) Level 1: Investments, whose values are based on quoted market prices in active markets, and therefore are classified within Level 1, include active listed equities. Quoted prices for these instruments are not adjusted.
- (ii) Level 2: Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include warrants and forward foreign currency contracts. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Financial Risk Management (continued)

d) Fair Value Estimation (continued)

(iii) Level 3: Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgement or estimation. As observable prices are not available for these securities, the Company would use valuation techniques to derive the fair value.

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

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

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

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

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

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

The tables below provide an analysis within the fair value hierarchy of the Company’s financial assets and liabilities measured at fair value at 31 December 2020 and 31 December 2019:

As at 31 December 2020

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial Assets at Fair Value Through Profit or Loss				
Common Stock	648,223,542	–	–	648,223,542
Real Estate Investment Trusts	41,691,797	–	–	41,691,797
Collective Investment Schemes	400,000	–	–	400,000
Forward Foreign Currency Contracts	–	1,470,146	–	1,470,146
Total Financial Assets at Fair Value Through Profit or Loss	690,315,339	1,470,146	–	691,785,485
Financial Liabilities at Fair Value Through Profit or Loss				
Forward Foreign Currency Contracts	–	(15,058)	–	(15,058)
Total Financial Liabilities at Fair Value Through Profit or Loss	–	(15,058)	–	(15,058)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. Financial Risk Management (continued)

d) Fair Value Estimation (continued)

As at 31 December 2019

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial Assets at Fair Value Through Profit or Loss				
Common Stock	790,128,707	–	–	790,128,707
Real Estate Investment Trusts	62,156,433	–	–	62,156,433
Collective Investment Schemes	400,000	–	–	400,000
Forward Foreign Currency Contracts	–	335,699	–	335,699
Total Financial Assets at Fair Value Through Profit or Loss	852,685,140	335,699	–	853,020,839
Financial Liabilities at Fair Value Through Profit or Loss				
Forward Foreign Currency Contracts	–	(6,547)	–	(6,547)
Total Financial Liabilities at Fair Value Through Profit or Loss	–	(6,547)	–	(6,547)

There were no transfers between levels for the investments held at 31 December 2020 and 31 December 2019.

The Fund held no Level 3 investments as at the year ended 31 December 2020 (Nil: 31 December 2019).

e) Capital Management

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

f) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or revalue the assets and settle the liability simultaneously. As of 31 December 2020 and 31 December 2019 there were no Financial assets and liabilities that were offset in the Statement of Financial Position.

14. Portfolio Analysis

As at 31 December 2020

	Market Value USD	% of Total Assets
Transferable securities admitted to an official exchange listing or dealt on another regulated market	689,915,339	96.77
Other securities	400,000	0.06
Financial derivative instruments (Forward Foreign Currency Contracts)	1,455,088	0.20
Net financial assets at fair value through profit or loss	691,770,427	97.03

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Portfolio Analysis (continued)

As at 31 December 2019	Market Value USD	% of Total Assets
Transferable securities admitted to an official exchange listing or dealt on another regulated market	852,285,140	95.63
Other securities	400,000	0.04
Financial derivative instruments (Forward Foreign Currency Contracts)	329,152	0.04
Net financial assets at fair value through profit or loss	853,014,292	95.71

15. Comparatives

The comparative figures for the Profit and Loss Account and the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares are for the year ended 31 December 2019, and for the Balance Sheet are as at 31 December 2019.

16. Significant Events during the Year

In 2020, global financial markets experienced volatility resulting from the spread of the coronavirus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The effects of COVID-19 may continue to adversely affect the global economy, the economies of certain nations and individual issuers, all of which may negatively impact the Company's performance.

With effect from 31 January 2020, the United Kingdom ("UK") is no longer part of the European Union ("EU"). The longer-term impact of the decision to leave the EU on the UK regulatory framework will depend, in part, on the relationship that the UK will seek to establish with the EU in the future. The UK remained subject to EU regulations during an agreed transition until 31 December 2020. Although a free trade agreement was ratified by both the EU and the UK in December 2020 and the transition period ended, there remains a number of uncertainties in connection with the UK's relationship with the EU in regards to potential regulatory alignment or equivalence.

The possible effects of Brexit on the Company and the Investment Manager are subject to ongoing and continual consideration and reaction. Advice from the Company's UK and Irish lawyers on any legal or regulatory implications for the Company and its contractual relationship with the Investment Manager are being monitored to ensure all issues are covered, while taking account of the Memorandum of Understanding entered into between the UK and Irish regulators. As the majority of investors in the Company are domiciled in the UK it is not anticipated that Brexit will have a material impact on the marketing activities of the Investment Manager, which acts as distributor of the Company's Shares. Similarly, as the focus of the Company's investment activity is centred on Asia ex-Japan with the base currency of the Fund being USD, it is not envisaged that Brexit will impact the Company's investment activities to any significant degree.

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

17. Events since the Year End

Heather Manners resigned as a Director of the Company on 28 January 2021

Thomas Naughton and Tony Morris were appointed as Directors of the Company on 28 January 2021.

An updated version of the Company's Prospectus was issued on 4 January 2021 (amended 3 March 2021) and can be accessed on the Investment Manager's website. Under the terms of the Company's Prospectus, Prusik Investment Management LLP, the Investment Manager, has been entitled to receive, on a quarterly basis, a performance fee (if due) out of the assets of the Fund in respect of Share Classes 2X, 2Y, 2Z and Class U. Following a regulatory change, with effect from 1st January 2021, any Performance Fee due in respect of these classes will now be calculated

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Events since the Year End (continued)

annually in respect of the period ending on 31 December in each year, rather than at each calendar quarter as previously. The Performance Fee will be deemed to accrue at each Valuation Point.

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

18. Approval of Financial Statements

The audited financial statements were approved by the Directors on 28 April 2021.

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

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

Major Purchases for the year ended 31 December 2020

Security Description	Acquisitions Nominal	Cost USD
China Mobile Ltd.	5,500,000	37,300,765
ITC Ltd.	11,000,000	32,698,227
Singapore Telecommunications Ltd.	13,500,000	24,141,364
CNOOC Ltd.	23,500,000	21,818,736
PT Telkom Indonesia	95,000,000	20,602,386
Petronet LNG Ltd.	5,750,000	18,911,237
Link	1,968,000	17,090,994
Sun Hung Kai Properties Ltd.	1,275,000	16,412,916
Thai Beverage PCL	35,000,000	15,473,958
HSBC Holdings PLC	2,000,000	15,339,145
NWS Holdings Ltd.	16,734,000	15,212,230
Infosys Ltd.	1,750,000	15,175,787
Embassy Office Parks REIT	3,359,200	15,108,669
Dairy Farm International Holdings Ltd.	3,500,000	14,987,489
Capitaland Mall Trust	13,000,000	14,784,610
Fortune Real Estate Investment Trust (Hong Kong)	12,500,000	14,626,756
Vietnam Dairy Products JSC	2,750,000	14,032,607
KT&G Corp.	202,714	12,696,260
Tisco Financial Group PCL	5,000,000	11,814,417
Macquarie Group Ltd.	200,000	10,616,219
Jardine Strategic Holdings Ltd.	450,000	10,058,824
NagaCorp Ltd.	8,500,000	9,728,484
International Container Terminal Services, Inc.	5,000,000	9,678,023
Kasikornbank PCL	3,800,000	9,100,015
Qantas Airways Ltd.	2,500,000	8,967,689
British American Tobacco Malaysia Bhd	3,000,000	8,729,835
Media Nusantara Citra Tbk PT	100,000,000	6,579,027
Mindspace Business Parks	1,592,200	6,065,668
Sands China Ltd.	1,062,000	5,134,501

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

Major Sales for the year ended 31 December 2020

Security Description	Disposals Nominal	Proceeds USD
Samsung Electronics Co. Ltd.	1,421,508	67,574,207
Jasmine Broadband Internet Infrastructure Fund	131,466,327	40,177,658
Sarana Menara Nusantara Tbk PT	545,829,500	37,396,291
AIA Group Ltd.	3,055,600	33,866,284
PCCW Ltd.	57,500,000	33,541,882
Oversea-Chinese Banking Corp. Ltd.	4,000,000	26,859,425
Singapore Exchange Ltd.	4,413,200	25,150,235
TravelSky Technology Ltd.	12,000,000	22,321,387
Infosys Ltd.	1,750,000	21,555,356
Cromwell European Real Estate Investment Trust	38,340,400	20,165,711
Capitaland Mall Trust	13,000,000	20,023,568
Sands China Ltd.	4,562,000	19,687,628
Scentre Group	11,232,351	17,115,342
Link	1,968,000	16,240,494
Macquarie Group Ltd.	200,000	15,988,945
HSBC Holdings PLC	2,000,000	14,941,632
Multi Commodity Exchange of India Ltd.	792,350	13,757,311
International Container Terminal Services, Inc.	5,000,000	11,900,297
HKBN Ltd.	5,482,500	9,870,659
Samsonite International SA	10,999,800	9,276,111
Zhejiang Expressway Co. Ltd.	12,000,000	7,629,008
CK Infrastructure Holdings Ltd.	1,250,000	7,577,571
Wynn Macau Ltd.	4,215,600	7,460,596
Power Grid Corp. of India Ltd.	3,238,847	7,110,277

MANAGEMENT AND ADMINISTRATION

BOARD OF DIRECTORS

David Hammond¹ (Irish)
Heather Manners² (British)
Tony Morris³ (British)
Thomas Naughton⁴ (British)
Richard Hayes¹ (Irish) (Chairman)

¹Independent of the Investment Manager

²Resigned on 28 January 2021

³Appointed a Director of the Company on 28 January 2021 (formerly an Alternate Director)

⁴Appointed a Director of the Company on 28 January 2021

**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

GOVERNANCE SERVICE PROVIDERS

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

COMPANY NAME AND REGISTERED OFFICE

Prusik Umbrella UCITS 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 LLP
One Ropemaker Street
London EC2Y 9SS
United Kingdom

Appendix 1 – Report on Remuneration (Unaudited)

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

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

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

Persons subject to the Policy

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

The Company has determined that the following persons would fall within the definition of “Identified Staff”:

- Members of the Board of Directors; and
- Designated Persons responsible for the monitoring of each management function of the Company.

Remuneration of Identified Staff

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

Fees regarding the carrying out of the Designated Person roles are paid by the Company to Bridge Consulting Limited for the amount totalling €33,000. As is the case for Directors, this fee is an annual fixed fee and does not include a variable performance based component therefore avoiding a potential conflict of interest. Directors’ fees are disclosed in Note 5.

Investment Manager

The aggregate quantitative remuneration paid to its staff by the Investment Manager for the year ended 31 December 2020 was £1,192,500 apportioned as to £645,000 and £547,500 as to fixed and variable remuneration respectively.

The tables below present aggregated information on the remuneration of all staff employed on 31 December 2020, and performing activities for the Company during the year 2020, including all identified staff selected on the basis of the above policy.

The following quantities data relates to the Investment Manager for the year ended 31 December 2020:

Number of employees	5
Fixed remuneration of Investment Manager	£ 645,000
Variable remuneration	£ 547,500
Aggregate of Fixed and Variable remuneration	£ 1,192,500