Annual Reports and Accounts 2023

Monument International Funds (IOM) Limited

MONUMENT International

Contents

Directors, Management and Administration

Board of Directors:

Christopher James Tunley

Non Executive Director

Peter James Scott Hammonds

Non Executive Director

Jeffrey Boysie McPherson More

Director of Monument International Fund Managers (IOM) Limited

Darren Mark Kelly

Director of Monument International Fund Managers (IOM) Limited

Manager and Registrar:

Monument International Fund Managers (IOM) Limited

Registered Office:

St George's Court

Upper Church Street

Douglas

Isle of Man IM1 1EE

Registered in the Isle of Man No. 023846C

Telephone: +44 (0) 1624 661551

Company Secretary:

Bo Larsen

Investment Manager:

Threadneedle Asset Management Limited

Cannon Place

78 Cannon Street

London EC4N 6AG

Fiduciary Custodian:

BNP Paribas S.A., Jersey Branch

IFC1

The Esplanade

St Helier

Jersey JE1 4BP

Channel Islands

Independent Auditor:

PricewaterhouseCoopers LLC

Sixty Circular Road

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Isle of Man IM1 1SA

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Registered Office:

St George's Court

Upper Church Street

Douglas

Isle of Man IM1 1EE

Registered in the Isle of Man No. 024161C

Report of the Directors

Activity and Results

This Annual Report and Accounts contains the Financial Statements of Monument International Funds (IOM) Limited ("the Company") for the year ended 31st December 2023 and also an analysis of each Fund including a Portfolio Statement.

A review of the year, together with an assessment of the investment outlook, is set out in the Investment Report by the Investment Manager, Threadneedle Asset Management Limited.

The Directors would like to take this opportunity to advise Shareholders that they reserve the right to treat the working days immediately before and after the statutory Christmas and New Year holidays as dealing days or otherwise. Please note that Christmas Eve is a non-dealing day.

For full information about the Company's Funds and Reporting Fund Status investors are advised to consult the Company's current Scheme Particulars which are available from Monument International Fund Managers (IOM) Limited.

As can be seen from the following Financial Statements, the Company, at 31st December 2023, had Funds under management (FUM) of approximately US$ 156 million (December 2022: US$ 145 million).

The Company is an Open-Ended Investment Company with variable capital.

Share Capital

Information regarding the number of shares in issue at the reporting date is included in Note 14 (pages 80 to 82) Capital and Reserves.

Directors

The Directors of the Company are set out on page 1. No Director nor any Director's spouse or child under 18 years of age has any beneficial interest, directly or indirectly, in the Company. During the year ended 31st December 2023 and on that date there was no contract of significance subsisting in which a Director of the Company is or was materially interested, except that as at 31st December 2023 all Directors (with the exception of Mr. Christopher Tunley and Mr. Peter Hammonds) were also Directors of Monument International Fund Managers (IOM) Limited which is a party to the Management and Investment Management Agreements as detailed in Note 10 on page 79.

Independent Auditor

PricewaterhouseCoopers LLC has indicated its willingness to continue in office in accordance with Section 12(2) of the Isle of Man Companies Act 1982.

By order of the Board

Director

18th March 2024

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable Isle of Man law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. The Directors have elected to prepare the Company Financial Statements in accordance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 102, "The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102)". The Financial Statements are required by law and regulations to give a true and fair view of the state of affairs of the Company and of the net revenue/(expense) and the net capital gains/(losses) of the scheme property of the Company for that period.

In preparing the Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's and each of the sub Funds' transactions and disclose with reasonable accuracy at any time the financial position of the Company and each of the sub Funds and to enable them to ensure that the Financial Statements comply with the Authorised Collective Investment Schemes Regulations 2010 (Regulations), the Statement of Recommended Practice for UK Authorised Funds, the Isle of Man Companies Acts 1931 to 2004 and the Company's Principal Constitutional Documents.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In order to do so, the Directors have appointed BNP Paribas S.A., Jersey Branch as the Fiduciary Custodian of the Company's assets.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the Isle of Man governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

By order of the Board

Director

18th March 2024

Investment Report

Investment Review

Most financial asset classes posted positive returns in 2023 despite bouts of volatility along the way. Overall, it was a strong year for global equity and bond markets.

The year started well for both bonds and equities as signs of cooling inflation spurred anticipation that key central banks might soon end their increases in interest rates. Equities also benefited as lower natural gas prices and China's post Covid reopening augured well for the global economy. March saw a spell of intense volatility, as several banking failures stoked fears of wider problems in the financial system. While equities fell back in response, these moves were quickly reversed as swift action by financial authorities towards the end of the first quarter (Q1) allayed concerns of contagion.

The major government bond markets also benefited temporarily from the mini banking crisis earlier in the year, on hopes that tighter credit conditions might mean that fewer interest rate rises would be needed to bring inflation back to central banks' target levels. However, having declined in Q1, bond yields then rose in Q2 and Q3 as the Federal Reserve (Fed), European Central Bank (ECB) and Bank of England (BoE) maintained their hawkish bias in the face of persistently high core inflation and strong labour markets in their economies.

Equities mostly overcame global growth fears and continued to advance into the summer. However, sentiment soured in the autumn when sticky inflation and resilient US economic data raised expectations that the Fed would maintain higher interest rates for longer than previously expected, which pushed up government bond yields. Disappointing economic data from China and the Eurozone added to the risk averse tone, as did rising geopolitical tensions.

However, both equities and bonds bounced back in the final months of the year, buoyed by increasing optimism that the Fed had reached the end of its rate raising cycle, with potential cuts in 2024. High growth technology stocks led this late year rally, following the pattern established earlier in the year amid the wave of optimism around artificial intelligence.

In terms of monetary policy, the Fed slowed the pace of US interest rate rises early in the year and increased rates for the final time in July. This brought the total rise in rates for 2023 to 1.0%, with the federal funds rate reaching a 22 year high of 5.5%. Fed communications in September cautioned that the fight against inflation was not over, bolstering the view that rates would stay 'higher for longer'. However, the central bank shifted its tone in December with Fed Chair Jerome Powell laying the groundwork for cuts in 2024.

The BoE raised rates by a total of 1.75% in 2023, but also paused its cycle of rate rises late in the period amid signs of easing inflation and economic growth concerns. The ECB, meanwhile, implemented rate rises totalling 2.0% in 2023 but, like the BoE, indicated it may be coming to the end of its cycle of increasing rates. Elsewhere, the Bank of Japan (BoJ) remained an outlier, retaining negative interest rates even as inflation remained well above target. In July, however, the BoJ unexpectedly announced an effective widening of the range in which 10-year Japanese government bond yields can trade.

The MSCI All Country World index (ACWI) returned 22.2% in local currencies in 2023. By region, Japan and the US fared best. Japan's export heavy stock market was supported by a weaker Yen, along with robust company earnings and shareholder friendly corporate reforms. Meanwhile, the US market's sizeable exposure to large technology stocks bolstered returns, helping it outperform the MSCI ACWI. Continental Europe underperformed slightly, while emerging market (EM) equities were restrained by weakness in China as the country's post pandemic recovery appeared to be faltering and concerns mounted about the country's indebted property sector. The UK market posted positive returns but lagged other major regions in local currency terms as elevated inflation drove expectations that UK interest rates would stay higher for longer. This pushed up the value of Sterling, adding a further headwind for the export heavy stock market.

In fixed income, the major government bond markets were volatile over the period, but finished the year with positive returns. The 10-year Treasury yield hit multi-year highs in October as markets priced in the Fed's higher for longer rate narrative, before falling back to 3.88%, closing the year neatly in line with its starting level. The late rally pushed the 10-year gilt yield down to 3.54%, which was 0.14% below where it began the year. The equivalent German Bund yield fell by 0.54% to end the year at 2.02% amid the deteriorating economic outlook for the Eurozone.

Overall, it was a good year for corporate bonds. Initially, they were supported by signs of falling core inflation, lower gas prices and hopes of an improving economic outlook. While sentiment was adversely affected by the bank failures in March, bonds later recovered as contagion fears eased. Aside from a brief spell in October, they generally had a positive second half of the year, when better than expected company earnings helped overcome economic growth concerns in some regions.

Investment Report (continued)

Outlook

Central banks across much of the developed world have raised interest rates dramatically in a bid to defeat inflation and break any potential wage-price spiral. In recent months, it appears their policies have been successful in helping to reduce price pressures, with consumer price inflation falling significantly in developed market economies.

Indeed, in December, the Fed pivoted towards a more dovish stance on monetary policy compared with other key central banks. There are growing expectations that the Fed is poised to cut interest rates in 2024 given the fall in inflationary pressures. Fed Chair Jerome Powell noted the economic risks of keeping rates too high for too long. Elsewhere, recent messaging from the ECB and BoE has remained more hawkish than the Fed, with both central banks maintaining their higher for longer interest rate refrain. Indeed, ECB President Christine Lagarde stated that policymakers "did not discuss rate cuts at all" at the December meeting.

For EMs, the near-term catalyst is expected to be rate cuts, with many economies already experiencing reduced inflationary pressures. We believe the majority of EM central banks will take their lead from the Fed.

The potential for lower interest rates helped fuel the recent rally in financial markets and investors remain encouraged by the likelihood of rate cuts in 2024. However, geopolitical risks remain, given the war in Ukraine, the conflict between Israel and Hamas and ongoing tensions between China and Taiwan. In addition, the US presidential election will take place in early November.

Within global equity markets, we believe that many large, listed companies are well insulated from strains on the world economy. Companies still have pricing power and their debt profiles have generally locked in the low interest rates of 2021 and earlier.

Report of the Manager

Monument International Funds (IOM) Limited is an Authorised Scheme under Schedule 1 of the Collective Investment Schemes Act 2008 (of the Isle of Man) and is an Umbrella Fund, as defined in the Authorised Collective Investment Schemes Regulations 2010. The Company has elected to be a Type A Scheme for the purpose of the Authorised Collective Investment Schemes Regulations 2010. Each constituent part, hereinafter referred to as a sub Fund as listed in the tables below, is an Authorised Securities Fund as defined in the Authorised Collective Investment Schemes Regulations 2010 (except the Managed Currency Fund which is a Money Market Fund).

The aim of the Company is to provide an attractive, tax efficient, investment medium for investors worldwide. Resident for tax purposes in the Isle of Man, the Company does not pay UK Corporation Tax on its income or capital gains. The Manager's policy for achieving the investment objective is described for each constituent part of the Company on pages 11, 20, 28, 34, 41, 51, 60 and 69.

The investment activities of the Company in the year to 31st December 2023 are described in the Fund Investment Report by the Investment Manager on pages 11, 20, 28, 34, 41, 51, 60 and 69.

The portfolio statement for each constituent part of the Company is on pages 15, 24, 31, 38, 46, 55, 64 and 73.

The Shareholders are only liable for the debts of the Company to the extent of their investment. Where the assets of a constituent part of the Scheme are insufficient to meet that constituent part's liabilities, then any liabilities that remain undischarged will revert to the Company as a whole and be allocated amongst the other constituents of the Scheme. At the period end the Directors were not aware of any existing or contingent liability which could not be discharged out of the assets of that constituent part of the Scheme.

The following amounts have been paid and/or accumulated for distribution to holders of Participating Redeemable Preference Shares in respect of the 12 months ended 31st December 2023. Where negative, the deficit has been transferred to the capital reserve.

Interim Amount (Deficit)/Paid US$	Sub Funds	XD Date	Amount Due/(Deficit) US$	Payment Date
(13,551)	Managed	2.1.2024	(84,052)	–
–	Worldwide Equity*	2.1.2024	(176,613)	–
7,168	Managed Currency	2.1.2024	8,324	28.2.2024
68,344**	Gilt and Income	2.1.2024	80,521	28.2.2024
–	North American Growth*	2.1.2024	(323,261)	–
–	Far East*	2.1.2024	(6,757)	–
–	UK Capital Growth*	2.1.2024	269,368	28.2.2024
–	Europe*	2.1.2024	85,279	28.2.2024

*Distribute annually

**At the average exchange rate for the interim period ending 30th June 2023, the Gilt and Income interim distribution was US$67,790.

The total number and bid value of Participating Redeemable Preference Shares as at 1st January 2023 and 31st December 2023 were as follows:

	Shares in Issue		Bid Value Per Share (US$)	
Sub Funds	1.1.2023	31.12.2023	1.1.2023	31.12.2023
Managed	10,207,403	9,712,591	2.5070	2.9320
Worldwide Equity	6,726,811	5,786,764	3.3410	4.1920
Managed Currency	1,512,201	1,461,941	0.3242	0.3274
Gilt and Income	18,337,069	17,097,962	0.3739	0.3660
North American Growth	2,333,943	2,168,301	11.3300	14.6800
Far East	1,783,713	1,678,565	3.8430	4.1160
UK Capital Growth	23,761,432	20,394,673	1.3725	1.5532
Europe	3,484,908	3,039,623	6.9199	7.9876

The bid value of the sub Funds, cancellation prices and shares in issue at the end of the last three accounting periods are shown in the Comparative Tables on pages 13, 22, 29, 36, 44, 53, 62 and 71.

Report of the Manager (continued)

The Financial Statements of the Company for the year ended 31st December 2023 is available on request from the Manager.

The names and addresses of the Registrar, the Investment Manager, the Fiduciary Custodian and the Auditor can be found on page 1.

Monument International Fund
Managers (IOM) Limited
St George's Court,
Upper Church Street
Douglas
Isle of Man IM1 1EE

Director
18th March 2024

Director
18th March 2024

Independent auditor's report to the members of Monument International Funds (IOM) Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements:

- give a true and fair view of the financial position of Monument International Funds (IOM) Limited ("The Company") and each of the sub Funds as at 31st December 2023 and of the net revenue/expense and the net capital gains/losses of the scheme property of the Company and each of the sub Funds for the year then ended in accordance with United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the Statement of Recommended Practice for UK Authorised Funds, the Authorised Collective Investment Schemes Regulations 2010, the Isle of Man Companies Acts 1931 to 2004 and the Company's principal constitutional documents.

What we have audited

The Company's financial statements comprise:

- the aggregated Balance Sheet as at 31st December 2023;
- the aggregated Statement of Total Return for the year then ended;
- the aggregated Statement of Change in Net Assets Attributable to Preference Shareholders for the year then ended; and
- the Notes to the Aggregated Financial Statements, which include significant accounting policies and other explanatory information.

And for each sub Fund:

- the Balance Sheet as at 31st December 2023;
- the Statement of Total Return for the year then ended;
- the Statement of Change in Net Assets Attributable to Preference Shareholders for the year then ended;
- the Distribution Table for the year then ended; and
- the Notes to the Financial Statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The other information comprises all of the information in the Annual Reports and Accounts other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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, 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.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with the applicable framework and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report to the members of Monument International Funds (IOM) Limited (continued)

Report on the audit of the financial statements (continued)

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 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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 15 of the Isle of Man Companies Act 1982 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 or into whose hands it may come save where expressly agreed by our prior consent in writing.

Report on other legal and regulatory requirements

Adequacy of accounting records and information and explanations received

Under the Isle of Man Companies Acts 1931 to 2004 we are required to report to you by exception if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- proper books of account have not been kept, or proper returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the books of account and returns; and
- certain disclosures of directors' loans and remuneration specified by law have not been complied with.

We have no exceptions to report arising from this responsibility.

Under the Authorised Collective Investment Schemes Regulations 2010 we are required to report to you by exception if, in our opinion, proper accounting records for the Company and sub Funds have not been kept, or whether the financial statements are not in agreement with those records.

We have no exceptions to report arising from this responsibility.

Opinion on other matters prescribed by the Authorised Collective Investment Schemes Regulations 2010

Under the Authorised Collective Investment Schemes Regulations 2010 we are required to report on other prescribed matters. In our opinion:

- we have obtained all the information and explanations, which to the best of our knowledge and belief, we consider necessary for the purposes of the audit; and
- the information given in the Report of the Directors and the Report of the Manager for the financial year for which the financial statements are prepared is consistent with the financial statements.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLC
Chartered Accountants
Douglas, Isle of Man
18 March 2024

Fiduciary Custodian's Report and Responsibilities

The duties of the Fiduciary Custodian under subparagraph 108 (4) of the Authorised Collective Investment Schemes Regulations 2010 ("the Regulations") in respect of the safekeeping of the scheme property are summarised as follows:

- to ensure the scheme is managed by the Manager in accordance with the Regulations with regard to investment and borrowing powers, dealing, valuation and pricing, income, accounting, allocation and distribution and any provision of the documents constituting the scheme or offering document relating to any of the above;
- to take reasonable care to ensure that the Manager is adopting appropriate procedures to ensure that the price of a unit is calculated for each valuation point and has maintained sufficient records;
- to act solely in the interests of the participants; and
- to take reasonable care to ensure that the Manager considers whether or not to exercise its power in relation to dilution and, if applicable, any dilution levy or dilution adjustment that is imposed.

For the period from 1st January 2023 to 31st December 2023, we state that in our opinion, Monument International Fund Managers (IOM) Limited has managed in all material respects, Monument International Funds (IOM) Limited in the above period:

- in relation to the issue, sale, redemption and cancellation, calculation of the price of the units and the application of the scheme's income in accordance with the provisions of the Company's Principal Constitutional Documents, the Scheme Particulars and the Regulations; and
- in relation to any limitations imposed upon the investment and borrowing powers and any restrictions placed upon the Manager and ourselves as Fiduciary Custodian in accordance with the Company's Principal Constitutional Documents, the Scheme Particulars and the Regulations.

For and on behalf of BNP Paribas S.A., Jersey Branch

18 March 2024

Managed Fund

Fund Investment Report

Investment Policy
To invest primarily for capital growth from a balanced and managed portfolio of asset types in various economies.

Types of Investment
Investments are held primarily in equity and fixed interest stock markets of the major economies, but may also be held indirectly through other permitted investments such as unit trusts, investment trusts and convertible securities as circumstances warrant and as permitted by the Regulations.

Exposure to individual regions or economies will generally reflect relative levels of market capitalisation. Consequently, a relatively large proportion of the Fund may consist of investments in the North American market.

Limited sales and purchases of investments may be made through options and financial futures, whilst bearing in mind the investment policy of the Fund and Regulations.

It must be remembered that the price of shares and the income from them can go down as well as up.

Fund Performance
Over the 12 months to 31st December 2023, the Fund posted a total gross return of 19.4% compared with a return of 16.2% for the benchmark index, both in United States (US) Dollar terms. The benchmark comprises 65% MSCI AC World Index, 32% J.P. Morgan Global Government Traded Bond Index and 3% 7-Day Sterling Overnight Index Average (SONIA).

Review
Global equity markets posted positive returns in 2023 despite bouts of volatility along the way. As inflation fell, expectations grew that key central banks were nearing the end of their interest rate hiking cycles. This helped global equity markets overcome growing economic growth concerns in some regions.

The year started well for global equities as the high inflation levels showed signs of easing. Elevated inflation typically hurts equities as it can reduce consumer spending and lead to high interest rates. Equities were also buoyed by hopes of a brighter outlook for the global economy as natural gas prices tumbled in Europe, and China lifted its Covid restrictions. However, volatility spiked in March due to the mini-banking crisis and resulting fears of contagion, though equities recovered thanks to swift action by financial authorities. This crisis pushed interest-rate forecasts lower as investors predicted that central banks would be unlikely to risk further distress in the financial sector. Lower interest rates are typically a positive for equity markets and, consequently, the second quarter (Q2) was calmer apart from a bout of volatility in May as negotiations about the debt ceiling in the United States (US) once again went to the wire. Equities were also aided by many companies reporting quarterly earnings that were ahead of forecasts, alongside some encouraging economic data.

Sentiment deteriorated in the middle of Q3 amid concerns around China's faltering economic recovery, despite Beijing announcing various measures to stimulate its economy. And while headline inflation continued to ease in major economies, core inflation (which excludes volatile components such as food and energy prices) remained elevated and labour markets remained tight. Tight labour markets can exert upward pressure on wages and, in turn, inflation. This stoked fears that central banks would maintain higher interest rates for longer, which negatively impacted equities. However, investor sentiment improved towards the end of the year, supported by a strong Q3 corporate earnings season and signs that the US economy would avoid a recession. Markets also priced in an increased likelihood of interest rates being cut in 2024 after encouraging falls in inflation in the US, United Kingdom (UK) and Europe, alongside deteriorating economic data in the UK and eurozone.

In terms of monetary policy, the US Federal Reserve (Fed) slowed the pace of its rate hikes early in the year and raised interest rates for the final time in July. Fed communications in September cautioned that the fight against inflation was not over, but there was a shift in December with Fed Chair Jerome Powell laying the groundwork for cuts in 2024, an encouraging sign for equity markets. The Bank of England (BoE) raised rates several times to 5.25% but also paused its hiking cycle late in the period amid signs of easing inflation and growing economic concerns. The European Central Bank (ECB), meanwhile, raised rates to 4.5% but, like the BoE, indicated it may be coming to the end of its tightening cycle. Elsewhere, the Bank of Japan remained an outlier, retaining negative interest rates, even as inflation remained above target.

Of the major equity regions, Japan and the US fared best in local currencies. The Japanese market was supported by a weaker Yen, given the country's large export sector (the currency weakness made Japanese exports cheaper for foreign buyers and increased demand). The US also outperformed, boosted by gains in its sizeable technology sector and resilient domestic economic data. Europe ex UK stocks performed well but were behind the MSCI ACWI. Emerging-market equities also lagged, weighed down by weakness in China amid concerns about the economy and a continued deterioration in relations with the US. UK equities fared worst due to higher and more persistent inflation than other developed markets. This raised expectations that the BoE would keep interest rates elevated, which pushed up the Pound, adding a headwind for the many overseas earners in the UK index.

By sector, technology performed best due to strong corporate earnings from major players and optimism around artificial intelligence (AI). Communication services and consumer discretionary also outperformed. At the other end, utilities fared worst, as the sector is particularly vulnerable to higher interest rates. Consumer staples and healthcare also lagged, especially towards the end of the year when investors favoured more economically sensitive areas of the market.

In fixed income, the major government bond markets were volatile over the period, but finished the year with positive returns. The 10-year Treasury yield (which moves inversely to price) hit highs in October as markets priced in the Fed's 'higher for longer' rate narrative, before falling back to 3.88%, closing the year neatly in line with its starting level. The late rally pushed the 10-year gilt yield down to 3.54%, which was 0.14% below where it began the year. The equivalent German Bund yield fell by 0.54% to end the year at 2.02% amid the deteriorating economic outlook for the eurozone.Gross of fees, the Fund outperformed its benchmark over the period. The equity segment was beneficial for relative returns, while the fixed-income portion detracted slightly.

Fund Investment Report (continued)

Review (continued)

Within equities, Nvidia Corporation (US) was the strongest contributor. The stock benefited from the wave of enthusiasm surrounding AI over the period under review. Investors were also impressed by the chipmaker's quarterly, results which consistently exceeded expectations in 2023 amid growing demand for semiconductor chips. We remain positive on Nvidia's prospects over the longer term owing to its strong exposure to semiconductor growth. The firm's scale and competitive edge within both gaming and AI should also position it well to benefit from powerful secular trends, such as accelerating AI adoption, the increasing demand for electric vehicles, cloud gaming and emerging omniverse opportunities.

Microsoft Corporation (US) was also a notable contributor during the period. The company's shares benefited throughout the year from the growing enthusiasm surrounding AI. The technology giant also posted strong earnings, beating forecasts in both its April and October quarterly results announcements. Additionally, Microsoft's stake in OpenAI (US), the creator of ChatGPT, also significantly amplified its performance, capitalising on the prevailing optimism surrounding AI and large language models (LLMs). Later in the year, Microsoft shares rallied on the news it had completed its acquisition of video game maker Activision Blizzard (US). With its extensive product reach across various industries, we believe that Microsoft is well positioned to leverage AI in its offerings, driving future growth and market dominance.

On the other side, the holding in SVB Financial Group (US) also hurt performance due to the company's liquidity issues and subsequent bankruptcy filing in the first half of the year. Previously known for its strong presence in providing finance to the private equity and venture capital industry, SVB offered a unique banking exposure for the portfolio. However, the company's investments in bonds and other debt instruments that were highly sensitive to interest rates posed challenges in an environment of rising rates. On this basis, the value of the company's bond portfolio significantly declined as interest rates moved higher, giving rise to a potential liquidity risk on the bank's balance sheet. More positively, the portfolio's diversification ensured that the negative impact of this single security on the Fund's overall performance was relatively small.

Within equities, new purchases over the period included Micron Technology Inc (US) and Marvell Technology Inc (US).

Micron is a leading computer memory and storage company with a strong competitive position, supported by increased diversification of both its products and end markets. The firm has made substantial operational improvements and is a leader in process technology, power-efficient products and performance reliability.

Marvell is a developer and producer of data infrastructure and semiconductor solutions, with attractive exposure to datacentre growth worldwide. The firm has a strong and growing position in a niche part of the semiconductor market, and its expertise in digital semiconductors acts as a high barrier to entry and positions the company to benefit from the trend towards cloud computing and AI. Marvell is also benefiting from a number of growth drivers across its 5G and automotive segments.

We profitably sold Stryker Corporation (US), JPMorgan Chase & Co (US) and Samsung Electronics Co Ltd (Korea) following strong performance.

Within fixed income, we added to our positions in government bonds from Austria, the US, the European Union and Japan. We reduced our exposure to France.

Compared with 2022, macro sentiment had less impact on markets in 2023 and the focus was more on the earnings results of individual companies. Higher interest rates will remain important in 2024 and may place some pressure on unprofitable growth stocks, so we stress the importance of focusing on the quality of the growth opportunity; markets will want to see evidence of profitability and pricing power in the near term.

Our holdings, on the whole, tend to be less sensitive to swings in the wider economy and so should be better placed in an environment of slower growth. They are typically cash-generative and, in many cases, have business models focused on recurring revenues. These companies also tend to have strong balance sheets, so they should be less impacted by the need to refinance debt at higher rates. In addition, many are supported by powerful trends over the longer term.

While the equity rally was quite narrowly led by major players in the technology sector in 2023, diversification will remain important in the year ahead as investment to tackle issues such as decarbonisation, deglobalisation and energy efficiency creates a broad opportunity set. We believe that we can find quality growing companies across a range of sectors and geographies.

Managed Fund
Comparative Tables
for the accounting period 1st January 2023 to 31st December 2023

	Preference Shares		
	2023	2022	2021
Change in net assets per share	US$	US$	US$
Opening net asset value per share	2.5099	3.2822	3.0863
Return before operating charges[1]	0.4863	(0.7124)	0.2655
Operating charges	(0.0615)	(0.0599)	(0.0696)
Return after operating charges	0.4248	(0.7723)	0.1959
Distributions on preference shares	–	–	–
Closing net asset value per share	2.9347	2.5099	3.2822
after direct transaction costs[1]	(0.0011)	(0.0011)	(0.0006)
Performance			
Return after charges	16.92%	(23.53%)	6.35%
Other information			
Closing net asset value (US$)	28,503,781	25,619,308	36,066,502
Closing number of shares	9,712,591	10,207,403	10,988,630
Operating charges	2.29%	2.20%	2.16%
Direct transaction costs (note 14)	0.04%	0.04%	0.02%
Ongoing Charges Figure ("OCF")[2]	2.29%	2.20%	2.16%

Prices	2023	2022	2021	2020	2019
Highest offer share price (US$)	3.1050	3.4560	3.5510	3.2640	2.7750
Lowest bid share price (US$)	2.5050	2.3130	3.0130	2.1230	2.1310
Net distribution per share (US$)	–	–	–	–	–

Notes
[1] Return before operating charges is stated after direct transaction costs.

[2] The OCF takes into account the annual management charge and any expenses incurred, expressed as a percentage of the average daily net asset values over the year.

Please refer to the Direct transaction costs note on page 18, for more detail regarding the nature of transaction costs and how they arise for different types of investments.

Please remember that past performance is not a guide to future performance, and it might not be repeated. The value of investments and the revenue from them may go down as well as up and because of this, investors may not get back money invested and are not certain to make a profit on their investment.

Statement of Total Return

for the accounting period 1st January 2023 to 31st December 2023

	Notes	2023 US$	2022 US$
Income			
Net capital gains/(losses)	2	4,300,739	(8,042,541)
Revenue	3	566,504	410,003
Expenses	4	(587,829)	(606,252)
Net expense before taxation		(21,325)	(196,249)
Taxation	5	(64,619)	(68,330)
Net expense after taxation		(85,944)	(264,579)
Total return before distribution		4,214,795	(8,307,120)
Distributions	6	1,892	10,772
Change in Net Assets Attributable to Preference Shareholders from investment activities		4,216,687	(8,296,348)

Balance Sheet

as at 31st December 2023

	Notes	2023 US$	2022 US$
Assets:			
Fixed assets:			
Investments	7	28,384,615	25,437,318
Current assets:			
Debtors	8	602,847	732,747
Cash and bank balances		149,024	167,941
Total assets		29,136,486	26,338,006
Liabilities:			
Creditors:			
Other creditors	9	(79,002)	(166,232)
Total liabilities		(79,002)	(166,232)
Equity:			
Management shares		(10)	(10)
Nominal shares (note 14, page 81)		(553,693)	(552,456)
Total equity		(553,703)	(552,466)
Net Assets Attributable to Preference Shareholders		28,503,781	25,619,308

Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2023 to 31st December 2023

	2023 US$	2022 US$
Opening Net Assets Attributable to Preference Shareholders	25,619,308	36,066,502
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	116,103	9,940
Amounts payable on cancellation of shares	(1,448,317)	(2,160,786)
	(1,332,214)	(2,150,846)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	4,216,687	(8,296,348)
Closing Net Assets Attributable to Preference Shareholders	28,503,781	25,619,308

Distribution Table

There is no distribution for the accounting period 1st January 2023 to 31st December 2023, as expenses exceed revenue (December 2022: US$ Nil).

The notes on pages 17 to 19 form an integral part of the financial statements.

Managed Fund
Portfolio Statement
As at 31st December 2023

Investment	Currency	Holding	Market Value US$	% of Net Assets
Collective Investment Schemes 2.55% (2.46%)				
Columbia Threadneedle Asia Fund XNA Cap	GBP	135,653	214,468	0.75
Columbia Threadneedle Emerging Market Bond Fund IGA Cap	GBP	24,520	86,995	0.31
Columbia Threadneedle Emerging Market Local Fund IGA Cap	GBP	103,422	203,262	0.71
Columbia Threadneedle Global Select Fund ZNA Cap	GBP	83,521	222,540	0.78
Collective Investment Schemes total			**727,265**	**2.55**
Equities 66.07% (65.74%)				
Australia 0.53% (0.00%)				
CSL Ltd.	AUD	778	152,173	0.53
			152,173	**0.53**
Canada 1.27% (0.61%)				
Nutrien Ltd.	CAD	3,018	169,279	0.60
Waste Connections, Inc.	USD	1,281	191,189	0.67
			360,468	**1.27**
Cayman Islands 0.00% (0.21%)				
Denmark 0.74% (2.68%)				
Novo Nordisk A/S 'B'	DKK	2,024	209,378	0.74
			209,378	**0.74**
France 5.19% (4.65%)				
AXA SA	EUR	5,762	187,608	0.66
EssilorLuxottica SA	EUR	1,193	239,637	0.84
L'Oreal SA	EUR	438	218,670	0.77
LVMH Moet Hennessy Louis Vuitton SE	EUR	274	222,799	0.78
Schneider Electric SE	EUR	1,469	295,402	1.04
TotalEnergies SE	EUR	4,614	314,374	1.10
			1,478,490	**5.19**
Germany 1.10% (0.96%)				
adidas AG	EUR	701	142,560	0.50
Infineon Technologies AG	EUR	4,067	169,461	0.60
			312,021	**1.10**
Hong Kong 0.67% (1.05%)				
AIA Group Ltd.	HKD	22,000	191,726	0.67
			191,726	**0.67**
India 1.09% (1.08%)				
HDFC Bank Ltd., ADR	USD	4,640	310,834	1.09
			310,834	**1.09**
Indonesia 0.81% (1.08%)				
Bank Rakyat Indonesia Persero Tbk. PT	IDR	624,580	231,221	0.81
			231,221	**0.81**
Ireland 3.12% (1.50%)				
CRH plc	USD	4,161	288,316	1.01
Linde plc (Frankfurt Stock Exchange listing)	EUR	487	198,240	0.70
Linde plc (Nasdaq listing)	USD	299	122,919	0.43
Smurfit Kappa Group plc	GBP	2,985	118,344	0.41
Trane Technologies plc	USD	666	162,284	0.57
			890,103	**3.12**
Japan 2.31% (2.44%)				
Keyence Corp.	JPY	700	307,796	1.08
Recruit Holdings Co. Ltd.	JPY	3,600	151,783	0.53
Sony Group Corp.	JPY	2,100	199,081	0.70
			658,660	**2.31**
Jersey 0.54% (0.00%)				
Aptiv plc	USD	1,709	153,742	0.54
			153,742	**0.54**
Mexico 0.53% (0.00%)				
Grupo Financiero Banorte SAB de CV 'O'	MXN	15,024	152,187	0.53
			152,187	**0.53**
Netherlands 0.34% (0.56%)				
Akzo Nobel NV	EUR	1,165	96,545	0.34
			96,545	**0.34**
Norway 0.76% (1.03%)				
Equinor ASA	NOK	6,819	216,306	0.76
			216,306	**0.76**
Singapore 0.62% (1.05%)				
DBS Group Holdings Ltd.	SGD	7,000	177,030	0.62
			177,030	**0.62**

Investment	Currency	Holding	Market Value US$	% of Net Assets
Equities 66.07% (65.74%) (continued)				
South Korea 0.00% (1.58%)				
Switzerland 2.71% (3.40%)				
DSM-Firmenich AG	EUR	1,867	189,863	0.67
Nestle SA	CHF	2,701	312,958	1.10
SIG Group AG	CHF	4,981	114,575	0.40
Sika AG	CHF	478	155,443	0.54
			772,839	**2.71**
Taiwan 1.42% (1.48%)				
Taiwan Semiconductor Manufacturing Co. Ltd.	TWD	21,000	405,076	1.42
			405,076	**1.42**
United Kingdom 3.10% (3.25%)				
Anglo American plc	GBP	3,978	99,932	0.35
Ashtead Group plc	GBP	2,565	178,600	0.63
London Stock Exchange Group plc	GBP	1,181	139,624	0.49
RELX plc	EUR	3,520	139,437	0.49
Shell plc	GBP	9,920	324,939	1.14
			882,532	**3.10**
United States of America 38.87% (36.69%)				
Adobe, Inc.	USD	454	270,752	0.95
Advanced Drainage Systems, Inc.	USD	795	112,413	0.39
Advanced Micro Devices, Inc.	USD	1,459	216,311	0.76
Alphabet, Inc. 'A'	USD	4,505	628,988	2.21
Amazon.com, Inc.	USD	4,514	689,965	2.42
Autodesk, Inc.	USD	1,096	267,490	0.94
Boston Scientific Corp.	USD	3,345	194,445	0.68
Cooper Cos., Inc. (The)	USD	383	145,069	0.51
Crowdstrike Holdings, Inc. 'A'	USD	724	184,396	0.65
Dexcom, Inc.	USD	1,436	178,164	0.62
Ecolab, Inc.	USD	1,235	245,394	0.86
Electronic Arts, Inc.	USD	1,868	255,300	0.90
Elevance Health, Inc.	USD	590	277,849	0.97
Eli Lilly & Co.	USD	539	315,051	1.10
Equinix, Inc., REIT	USD	238	192,040	0.67
Humana, Inc.	USD	285	130,533	0.46
Intercontinental Exchange, Inc.	USD	1,616	207,688	0.73
Intuit, Inc.	USD	530	331,441	1.16
Intuitive Surgical, Inc.	USD	591	199,864	0.70
Lam Research Corp.	USD	273	213,366	0.75
Marvell Technology, Inc.	USD	3,857	233,580	0.82
Mastercard, Inc. 'A'	USD	887	378,137	1.33
MercadoLibre, Inc.	USD	135	212,632	0.75
Micron Technology, Inc.	USD	3,832	328,364	1.15
Microsoft Corp.	USD	2,740	1,029,308	3.61
Motorola Solutions, Inc.	USD	634	198,588	0.70
NextEra Energy, Inc.	USD	2,958	179,787	0.63
NVIDIA Corp.	USD	1,210	596,034	2.09
PepsiCo, Inc.	USD	1,521	258,190	0.91
QUALCOMM, Inc.	USD	2,392	345,333	1.21
Thermo Fisher Scientific, Inc.	USD	482	256,255	0.90
T-Mobile US, Inc.	USD	1,859	298,537	1.05
Trimble, Inc.	USD	4,219	225,041	0.79
Uber Technologies, Inc.	USD	4,867	302,533	1.06
Union Pacific Corp.	USD	1,299	318,917	1.12
Visa, Inc. 'A'	USD	859	224,079	0.79
Xylem, Inc.	USD	1,984	226,731	0.79
Zoetis, Inc. 'A'	USD	1,072	211,463	0.74
			11,080,028	**38.87**
Virgin Islands, British 0.35% (0.44%)				
Nomad Foods Ltd.	USD	5,914	100,597	0.35
			100,597	**0.35**
Equities total			**18,831,956**	**66.07**
Government Bonds 29.39% (30.38%)				
Australia 0.53% (0.51%)				
Australia Government Bond 1.75% 21/06/2051	AUD	AUD 180,000	72,521	0.25
Australia Government Bond 2.75% 11/21/2028	AUD	AUD 60,000	39,326	0.14
Queensland Treasury Corporation 6.50% 14/03/2033	AUD	AUD 50,000	39,514	0.14
			151,361	**0.53**
Austria 1.42% (0.02%)				
Austria Government Bond 2.90% 20/02/2033	EUR	€105,000	118,846	0.42
Austria Government Bond 1.50% 20/02/2047	EUR	€29,000	24,565	0.08
Austria Government Bond 3.45% 10/20/2030	EUR	€224,000	262,228	0.92
			405,639	**1.42**

Managed Fund
Portfolio Statement (continued)
As at 31st December 2023

Investment	Currency	Holding	Market Value US$	% of Net Assets
Government Bonds 29.39% (30.38%) (continued)				
Canada 0.59% (0.62%)				
Canada Housing Trust No. 1 2.90% 15/06/2024	CAD	CAD 225,000	169,015	0.59
			169,015	**0.59**
Finland 0.74% (0.00%)				
Finland Government Bond 0.50% 15/09/2029	EUR	€210,000	209,586	0.74
			209,586	**0.74**
France 3.12% (5.41%)				
Bpifrance SACA 2.88% 11/25/2029	EUR	€100,000	111,803	0.39
France Government Bond OAT 0.00% 25/02/2027	EUR	€475,000	489,137	1.72
France Government Bond OAT 0.50% 25/06/2044	EUR	€10,000	6,922	0.02
France Government Bond OAT 0.75% 25/05/2053	EUR	€78,000	48,449	0.17
France Government Bond OAT 0.00% 11/25/2031	EUR	€255,000	233,950	0.82
			890,261	**3.12**
Japan 5.16% (5.47%)				
Japan Government Five Year Bond 0.10% 20/03/2025	JPY	JPY 99,250,000	704,972	2.47
Japan Government Forty Year Bond 0.40% 20/03/2056	JPY	JPY 12,750,000	61,660	0.22
Japan Government Forty Year Bond 0.50% 20/03/2059	JPY	JPY 5,200,000	25,164	0.09
Japan Government Ten Year Bond 0.20% 20/09/2032	JPY	JPY 26,600,000	183,089	0.64
Japan Government Thirty Year Bond 0.60% 20/09/2050	JPY	JPY 5,350,000	29,586	0.10
Japan Government Thirty Year Bond 0.70% 12/20/2051	JPY	JPY 3,550,000	19,889	0.07
Japan Government Twenty Year Bond 0.50% 12/20/2041	JPY	JPY 30,450,000	188,283	0.66
Japan Government Two Year Bond 0.01%	JPY	JPY 36,500,000	259,013	0.91
			1,471,656	**5.16**
Luxembourg 0.29% (0.30%)				
European Financial Stability Facility 1.70% 13/02/2043	EUR	€92,000	82,954	0.29
			82,954	**0.29**
Netherlands 0.59% (0.95%)				
Netherlands Government Bond 0.25% 15/07/2025	EUR	€114,000	121,489	0.43
Netherlands Government Bond 2.75% 15/01/2047	EUR	€40,000	46,201	0.16
			167,690	**0.59**
United Kingdom 1.83% (1.80%)				
UK Treasury 5.00% 07/03/2025	GBP	£30,000	38,555	0.14
UK Treasury 0.50% 31/01/2029	GBP	£25,000	27,611	0.10
UK Treasury 1.75% 07/09/2037	GBP	£88,000	86,875	0.30
UK Treasury 0.88% 31/01/2046	GBP	£218,000	148,063	0.52
UK Treasury 1.50% 22/07/2047	GBP	£110,000	85,005	0.30
UK Treasury 1.25% 31/07/2051	GBP	£84,000	56,690	0.20
UK Treasury 1.25% 10/22/2041	GBP	£95,000	78,377	0.27
			521,176	**1.83**
United States of America 15.12% (15.30%)				
US Treasury 1.50% 15/02/2025	USD	$220,000	212,266	0.75
US Treasury 3.63% 15/02/2053	USD	$127,000	118,155	0.41
US Treasury 3.88% 15/08/2033	USD	$234,000	234,183	0.82
US Treasury 3.88% 15/05/2043	USD	$142,000	136,231	0.48
US Treasury 0.75% 31/05/2026	USD	$245,000	226,099	0.79
US Treasury 2.50% 31/03/2027	USD	$173,000	165,337	0.58
US Treasury 0.38% 31/07/2027	USD	$14,100	12,434	0.04
US Treasury 2.75% 31/07/2027	USD	$102,000	97,908	0.34
US Treasury 2.25% 15/08/2027	USD	$85,000	80,159	0.28
US Treasury 1.25% 31/03/2028	USD	$100,000	89,684	0.32
US Treasury 1.00% 31/07/2028	USD	$357,000	314,007	1.10
US Treasury 1.75% 31/01/2029	USD	$60,000	54,143	0.19
US Treasury 1.63% 15/08/2029	USD	$70,000	62,325	0.22

Investment	Currency	Holding	Market Value US$	% of Net Assets
Government Bonds 29.39% (30.38%) (continued)				
United States of America 15.12% (15.30%) (continued)				
US Treasury 0.63% 15/05/2030	USD	$728,000	595,424	2.09
US Treasury 2.75% 15/08/2032	USD	$170,000	155,995	0.55
US Treasury 3.50% 15/02/2033	USD	$61,000	59,268	0.21
US Treasury 3.38% 15/05/2033	USD	$549,000	527,984	1.85
US Treasury 1.13% 15/08/2040	USD	$40,000	25,678	0.09
US Treasury 2.25% 15/05/2041	USD	$138,000	105,710	0.37
US Treasury 1.75% 15/08/2041	USD	$4,000	2,797	0.01
US Treasury 2.38% 15/02/2042	USD	$110,000	84,932	0.30
US Treasury 3.25% 15/05/2042	USD	$24,000	21,181	0.07
US Treasury 3.13% 15/08/2044	USD	$19,000	16,189	0.06
US Treasury 2.50% 15/02/2045	USD	$44,000	33,548	0.12
US Treasury 1.25% 15/05/2050	USD	$75,000	40,784	0.14
US Treasury 1.38% 15/08/2050	USD	$44,000	24,729	0.09
US Treasury 1.88% 15/02/2051	USD	$50,000	31,976	0.11
US Treasury 2.25% 15/02/2052	USD	$12,000	8,384	0.03
US Treasury 1.13% 10/31/2026	USD	$191,000	176,235	0.62
US Treasury 1.38% 11/15/2040	USD	$175,000	116,833	0.41
US Treasury 2.00% 11/15/2041	USD	$100,000	72,809	0.26
US Treasury 0.63% 11/30/2027	USD	$145,000	127,809	0.45
US Treasury 3.88% 12/31/2029	USD	$278,000	277,739	0.97
			4,308,935	**15.12**
Government Bonds total			**8,378,273**	**29.39**
Corporate Bonds 0.38% (0.46%)				
Germany 0.38% (0.46%)				
Kreditanstalt fuer Wiederaufbau 2.05% 16/02/2026	JPY	JPY 10,000,000	73,873	0.26
Kreditanstalt fuer Wiederaufbau 2.60% 20/06/2037	JPY	JPY 4,000,000	34,845	0.12
			108,718	**0.38**
Corporate Bonds total			**108,718**	**0.38**
Supranationals 1.14% (0.20%)				
European Union 0% 04/07/2035	EUR	177,000	142,556	0.50
European Union 0.40% 04/02/2037	EUR	120,000	98,058	0.34
European Union 2.75% 04/02/2033	EUR	50,000	55,938	0.20
European Union 0.10% 04/10/2040	EUR	28,000	19,428	0.07
International Bank for Reconstruction and Development 0.25% 21/01/2061	EUR	20,000	8,337	0.03
			324,317	**1.14**
Supranationals total			**324,317**	**1.14**
Certificates of Deposit 0.05% (0.05%)				
Supranational 0.05% (0.05%)				
European Investment Bank 0.63% 10/21/2027	USD	16,000	14,086	0.05
			14,086	**0.05**
Certificates of Deposit total			**14,086**	**0.05**
Total value of investments			28,384,615	99.58
Net other assets (2022: 0.71%)			119,166	0.42
Net assets attributable to shareholders			**28,503,781**	**100.00**

All holdings are ordinary shares or stock units and admitted to official stock exchange listings unless otherwise stated.

The comparative percentage figures in brackets are as at 31st December 2022.

1 ACCOUNTING POLICIES

The accounting policies for the Fund are the same as those disclosed in the Aggregated Financial Statements on page 78.

2 NET CAPITAL GAINS/(LOSSES)

The net capital gains/(losses) during the year comprise:

	2023 US$	2022 US$
Other expense	–	(629)
Non-derivative securities	4,328,813	(8,007,546)
Other currency gains/(losses)	25	(8,985)
Forward currency derivative contracts	(1,175)	227
Transaction charges	(26,924)	(25,608)
Net capital gains/(losses)	4,300,739	(8,042,541)

Gains/(losses) from non-derivatives securities include realised gains of US$ 12,972 (2022: US$ 245,952) and change in unrealised gains of US$ 4,315,841 (2022: US$ 8,253,498 unrealised losses).

3 REVENUE

	2023 US$	2022 US$
Bank interest	8,991	6,481
Interest on debt securities	223,895	133,910
Overseas dividends	333,618	269,612
Total revenue	566,504	410,003

4 EXPENSES

	2023 US$	2022 US$
Payable to the Fund Manager, associates of the Manager and agents of either of them:		
Annual management charge	(525,027)	(559,850)
Directors' fees	(4,364)	(4,197)
Registration expenses	(4,215)	(4,240)
	(533,606)	(568,287)
Payable to the Fiduciary Custodian, associates of the Fiduciary Custodian and agents of either of them:		
Fiduciary Custodian's fees	(10,770)	(11,484)
Safe custody fees	(6,472)	(6,530)
Interest payable	(515)	(498)
	(17,757)	(18,512)
Other expenses:		
Audit fee	(26,121)	(10,402)
Publication charges	(5,344)	(4,050)
Regulatory and professional fees	(5,001)	(5,001)
	(36,466)	(19,453)
Total expenses	(587,829)	(606,252)

5 TAXATION

	2023 US$	2022 US$
Analysis of charge in year:		
Overseas tax suffered	(64,619)	(68,330)
Total overseas taxation	(64,619)	(68,330)

6 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	2023 US$	2022 US$
Revenue deducted on cancellation of shares	1,979	10,831
Revenue received on creation of shares	(87)	(59)
Distributions for the year	1,892	10,772

Details of the distribution per share are set out on page 14.

7 INVESTMENTS

Fair Value Hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

	2023 Assets US$	2022 Assets US$
Level 1: Quoted prices	27,075,566	24,690,075
Level 2: Observable market data	1,309,049	747,243
Level 3: Unobservable data	–	–
Total value	28,384,615	25,437,318

8 DEBTORS

	2023 US$	2022 US$
Accrued revenue	46,387	37,182
Overseas tax recoverable	998	982
Prepaid expenses	1,759	1,151
Receivable from Fund Manager – Nominal and management shares	553,703	552,466
Sales awaiting settlement	–	140,966
Total debtors	602,847	732,747

9 OTHER CREDITORS

	2023 US$	2022 US$
Accrued expenses	(36,431)	(24,328)
Amounts payable to the Fund Manager	(42,571)	(41,042)
Purchases awaiting settlement	–	(100,862)
Total creditors	(79,002)	(166,232)

10 RELATED PARTY TRANSACTIONS

Monument International Fund Managers (IOM) Limited (Fund Manager) provides services to the company under the terms of a management agreement (page 79, note 10) and acts as principal in respect of all transactions of shares in the Fund.

The Fund manager owns the management shares of the company and has common directors with the company namely Jeffrey Boysie McPherson More and Darren Mark Kelly who have waived their rights to directors fees. Directors fees are payable to each of the two non-executive directors of the company.

The total director fees expense for the year was US$ 4,364 (2022: US$ 4,197) with US$ 1,179 (2022: US$ 1,256) outstanding at year end.

Amounts paid to the Fund manager in respect of Fund administration and registrar services are disclosed in Note 4. A balance of US$ 41,438 (December 2022: US$ 40,326) in respect of the annual management charge, and US$ 1,133 (December 2022: US$ 716) in respect of registration expenses is due at the end of the accounting period and is included within amounts payable to the Fund Manager.

At the balance sheet date Preference Shareholders from within the Monument Re Group of which the Fund is a related party, hold 513,000 (2022: 514,802) Preference Shares in the Fund.

The aggregate monies received through creations and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Preference Shareholders. The amounts due from/to Monument International Fund Managers (IOM) Limited in respect of share transactions at the end of the accounting period are disclosed in Notes 8 and 9.

11 SHARES IN ISSUE RECONCILIATION

	Number of shares in issue at start of the year	Number of shares created	Number of shares cancelled	Number of shares in issue at end of the year
Participating Redeemable Preference Shares	10,207,403	42,873	(537,685)	9,712,591
Management Shares	10	–	–	10

12 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities at the balance sheet date. (2022: US$ Nil).

13 DEBT SECURITY CREDIT ANALYSIS

	2023 Market Value US$	2023 % of Net Assets	2022 Market Value US$	2022 % of Net Assets
Investment Grade*	8,825,394	30.96	7,964,302	31.09
	8,825,394	30.96	7,964,302	31.09

* Investment grade refers to the quality of a company's credit. A rating of 'BBB'or higher is considered an investment grade issue.

14 DIRECT TRANSACTION COSTS

In the case of equity shares, broker commissions, transfer taxes and stamp duties are paid by the Fund on each transaction. Unlike equity shares, other types of investments (such as bonds, money market instruments, and derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread between buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the Fund Manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a Fund invests.
- As the Fund Manager's investment decisions are not predictable, transaction costs are also not predictable.

The direct transaction costs incurred during the year were as follows:

Year to 31st December 2023	Principal US$	Commission US$	Taxes US$	Total Cost US$	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases:						
Purchases (excluding in-specie and corporate action activity):						
Bonds	15,208,336	–	–	15,208,336	–	–
Equity	6,641,047	1,570	5,397	6,648,014	0.02	0.08
Funds	33,962	–	–	33,962	–	–
	21,883,345	1,570	5,397	21,890,312		
Sales:						
Sales (excluding in-specie and corporate action activity):						
Bonds	14,449,619	–	–	14,449,619	–	–
Equity	8,892,435	(2,159)	(1,471)	8,888,805	(0.02)	(0.02)
	23,342,054	(2,159)	(1,471)	23,338,424		
Total		3,729	6,868			
Percentage of Fund average net assets		0.01%	0.03%			

The direct transaction costs incurred during the prior year were as follows:

Year to 31st December 2022	Principal US$	Commission US$	Taxes US$	Total Cost US$	Commission as a percentage of principal %	Taxes as a percentage of principal %
Purchases:						
Purchases (excluding in-specie and corporate action activity):						
Bonds	15,500,179	–	–	15,500,179	–	–
Equity	6,779,520	1,813	6,387	6,787,720	0.03	0.09
Funds	26,054	–	–	26,054	–	–
	22,305,753	1,813	6,387	22,313,953		
Sales:						
Sales (excluding in-specie and corporate action activity):						
Bonds	15,724,038	–	–	15,724,038	–	–
Equity	8,329,779	(2,034)	(1,181)	8,326,564	(0.02)	(0.01)
Funds	59,441	–	–	59,441	–	–
	24,113,258	(2,034)	(1,181)	24,110,043		
Total		3,847	7,568			
Percentage of Fund average net assets		0.01%	0.03%			

14 DIRECT TRANSACTION COSTS (continued)

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.08% (2022: 0.10%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

15 FINANCIAL INSTRUMENTS

The analysis and tables provided below refer to the narrative disclosure on derivatives and other financial instrument risks on page 79.

Currency exposures

A substantial proportion of the Net Assets of the Fund are denominated in currencies other than US Dollars, which is the base currency in which the Fund is managed. This has the effect that the Balance Sheet and Statement of Total Return can be significantly affected by currency movements.

Currency risk sensitivity

As at 31st December 2023 the Fund was exposed to currency risk through the assets and liabilities denominated in foreign currencies.

If the exchange rates at 31st December 2023 between US$ and all other currencies had strengthened by 5% (2022: 5%), with all other variables held constant, this would have decreased the net assets attributable to preference shareholders by US$ 585,330 (2022: US$: 585,812).

A weakening of the US$ compared to other currencies would have resulted in an equal and opposite effect on the financial statements, assuming that all other variables remained constant.

Net foreign currency assets			
Currency 2023	Monetary exposure US$	Non-monetary exposure US$	Total US$
Australian Dollar	876	303,534	304,410
Brazilian Real	–	–	–
Canadian Dollar	1,447	338,293	339,740
Danish Krone	16	209,378	209,394
Euro	12,869	4,495,042	4,507,911
Hong Kong Dollar	4	191,726	191,730
Indonesian Rupiah	–	231,221	231,221
Japanese Yen	1,624	2,239,034	2,240,658
Mexican Peso	64	152,187	152,251
New Zealand Dollar	2	–	2
Norwegian Krone	290	216,306	216,596
Polish Zloty	2	–	2
Singapore Dollar	42	177,030	177,072
South African Rand	50	–	50
Swedish Krona	86	–	86
Swiss Franc	94	582,977	583,071
Taiwan Dollar	32,931	405,076	438,007
UK Sterling	4,525	2,109,881	2,114,406
US Dollar	64,245	16,732,929	16,797,174
Currency 2022	**US$**	**US$**	**US$**
Australian Dollar	1,083	131,129	132,212
Brazilian Real	10	–	10
Canadian Dollar	2,102	315,461	317,563
Danish Krone	848	685,678	686,526
Euro	27,446	3,586,000	3,613,446
Hong Kong Dollar	1,501	269,130	270,631
Indonesian Rupiah	–	275,548	275,548
Japanese Yen	103,512	2,141,888	2,245,400
Mexican Peso	50	–	50
New Zealand Dollar	2	–	2
Norwegian Krone	500	264,899	265,399
Polish Zloty	1	–	1
Singapore Dollar	3,143	268,080	271,223
South African Rand	52	–	52
South Korean Won	1,478	405,803	407,281
Swedish Krona	82	–	82
Swiss Franc	1,065	871,586	872,651
Taiwan Dollar	47,961	379,084	427,045
Turkish Lira	1	–	1
UK Sterling	7,677	1,923,448	1,931,125
US Dollar	(16,524)	13,919,584	13,903,060

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the Fund's financial assets and financial liabilities at 31st December 2023 and 31st December 2022 was:

Assets	2023 US$	2022 US$
Fixed rate financial assets	8,825,394	7,964,302
Floating rate financial assets	149,024	167,941
Financial assets not carrying interest	19,608,365	17,653,296
Liabilities	**2023 US$**	**2022 US$**
Fixed rate financial liabilities	–	–
Floating rate financial liabilities	–	–
Financial liabilities not carrying interest	(79,002)	(166,561)

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

The Fund's Preference Shares are financial liabilities that do not carry interest and there are no other material financial liabilities that carry interest.

Interest rate risk sensitivity

As at 31st December 2023 the Fund was exposed to interest rate risk through its investments in debt instruments. The percentage of the net assets held in these investments are disclosed in the Portfolio Statement of the Fund.

The sensitivity analysis was based on a change in one variable while holding all other variables constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated.

As at 31st December 2023 had market interest rates strengthened by 1% (2022: 5%), the net assets attributable to preference shareholders of the Fund would have decreased by US$ 701,109 (2022: US$ 3,358,867).

A weakening of the interest rate would have resulted in an equal and opposite effect on the financial statements, assuming that all other variables remained constant.

Other price risk sensitivity

As at 31st December 2023 the Fund was exposed to other market price risk due to its investments in equities and collective investment schemes. The percentage of the net assets held in these investments are disclosed in the Portfolio Statement of the Fund. The sensitivity analysis assumes a change in the market price of equities and exchange traded funds while holding all other variables constant. In practice all other variables are unlikely to remain constant, and changes in some of the variables may be correlated.

As at 31st December 2023, had the fair value of equity securities increased/(decreased) by 5% (2022: 5%), with all other variables held constant, the net assets attributable to preference shareholders would have increased/(decreased) by US$ 977,961 (2022: US$ 873,651).

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value. The basis of valuation is disclosed in Note 1 (5) to the Aggregated Financial Statements.

Worldwide Equity Fund

Fund Investment Report

Investment Policy

To invest primarily for capital growth in a portfolio of international equities.

Types of Investment

Investments are made principally for prospects of capital growth in international stocks, generally in shares of leading companies, but also indirectly may be made through other types of permitted investment such as unit trusts, investment trusts, convertible securities, traded options, warrants, fixed interest securities and other media as circumstances warrant and as permitted by the Regulations.

Exposure to individual regions or economies will generally reflect relative levels of market capitalisation. Consequently, a relatively large proportion of the Fund may consist of investments in the North American market.

It must be remembered that the price of shares and the income from them can go down as well as up.

Fund Performance

Over the 12 months to 31st December 2023, the Fund posted a total gross return of 27.7% compared with a return of 22.8% from the MSCI AC World Index in United States (US) Dollar terms.

Review

Global equity markets posted positive returns in 2023 despite bouts of volatility along the way. As inflation fell, expectations grew that key central banks were nearing the end of their interest rate hiking cycles. This helped global equity markets overcome growing economic growth concerns in some regions.

The year started well for global equities as the high inflation levels showed signs of easing. Elevated inflation typically hurts equities as it can reduce consumer spending and lead to high interest rates. Equities were also buoyed by hopes of a brighter outlook for the global economy as natural gas prices tumbled in Europe, and China lifted its Covid restrictions. However, volatility spiked in March due to the mini-banking crisis and resulting fears of contagion, though equities recovered thanks to swift action by financial authorities. This crisis pushed interest-rate forecasts lower as investors predicted that central banks would be unlikely to risk further distress in the financial sector. Lower interest rates are typically a positive for equity markets and, consequently, the second quarter (Q2) was calmer apart from a bout of volatility in May as negotiations about the debt ceiling in the United States (US) once again went to the wire. Equities were also aided by many companies reporting quarterly earnings that were ahead of forecasts, alongside some encouraging economic data.

Sentiment deteriorated in the middle of Q3 amid concerns around China's faltering economic recovery, despite Beijing announcing various measures to stimulate its economy. And while headline inflation continued to ease in major economies, core inflation (which excludes volatile components such as food and energy prices) remained elevated and labour markets remained tight. Tight labour markets can exert upward pressure on wages and, in turn, inflation. This stoked fears that central banks would maintain higher interest rates for longer, which negatively impacted equities. However, investor sentiment improved towards the end of the year, supported by a strong Q3 corporate earnings season and signs that the US economy would avoid a recession. Markets also priced in an increased likelihood of interest rates being cut in 2024 after encouraging falls in inflation in the US, United Kingdom (UK) and Europe, alongside deteriorating economic data in the UK and eurozone.

In terms of monetary policy, the US Federal Reserve (Fed) slowed the pace of its rate hikes early in the year and raised interest rates for the final time in July. Fed communications in September cautioned that the fight against inflation was not over, but there was a shift in December with Fed Chair Jerome Powell laying the groundwork for cuts in 2024, an encouraging sign for equity markets. The Bank of England (BoE) raised rates several times to 5.25% but also paused its hiking cycle late in the period amid signs of easing inflation and growing economic concerns. The European Central Bank (ECB), meanwhile, raised rates to 4.5% but, like the BoE, indicated it may be coming to the end of its tightening cycle. Elsewhere, the Bank of Japan remained an outlier, retaining negative interest rates, even as inflation remained above target.

Of the major equity regions, Japan and the US fared best in local currencies. The Japanese market was supported by a weaker Yen, given the country's large export sector (the currency weakness made Japanese exports cheaper for foreign buyers and increased demand). The US also outperformed, boosted by gains in its sizeable technology sector and resilient domestic economic data. Europe ex UK stocks performed well but were behind the MSCI ACWI. Emerging-market equities also lagged, weighed down by weakness in China amid concerns about the economy and a continued deterioration in relations with the US. UK equities fared worst due to higher and more persistent inflation than other developed markets. This raised expectations that the BoE would keep interest rates elevated, which pushed up the Pound, adding a headwind for the many overseas earners in the UK index.

By sector, technology performed best due to strong corporate earnings from major players and optimism around artificial intelligence (AI). Communication services and consumer discretionary also outperformed. At the other end, utilities fared worst, as the sector is particularly vulnerable to higher interest rates. Consumer staples and healthcare also lagged, especially towards the end of the year when investors favoured more economically sensitive areas of the market.

Gross of fees, the Fund outperformed its benchmark in 2023. Stock selection drove the outperformance, adding most value in consumer discretionary, industrials and healthcare, although choices in financials detracted. Sector allocation also made a positive impact, with the technology overweight helping the most amid the enthusiasm around AI. The underweight in consumer staples also aided performance. However, the overweight in materials and underweight in consumer discretionary proved unfavourable.

Fund Investment Report (continued)

Review (continued)

At the stock level, Uber Technologies Inc. (US) was the top relative performer. Shares in the firm climbed in the first half of the year, buoyed by better-than-expected revenue, particularly from Europe, the Middle East and Asia. Uber's positive outlook was supported by the surge in demand for ride-hailing and food-delivery services. Uber's shares outperformed again late in the year on the back of encouraging Q3 results in November. Growth of trips and monthly active platform users both accelerated year on year, while earnings and income from operations were also up. Uber's competitive position continues to be supported by its scale, technological expertise and expansion plans in multiple fast-growing regions around the world. The stock rallied further in December following news of its inclusion in the S&P 500. We have strong conviction in Uber's rideshare and UberEats food delivery platforms, which are both dominant players in an expanding global market.

CrowdStrike Holdings Inc (US) was another strong contributor having outperformed consistently for much of 2023. Its share price posted particularly strong gains in the final months of the year in response to favourable Q3 results. This included revenue and earnings that beat estimates. The firm also upgraded its full-year outlook. We continue to hold conviction in the company's strong software-as-a-service business model and market-leading technology. We believe it is still early in its growth phase and addresses a large potential market.

On the other side, the Fund's lack of exposure to Apple detracted as the stock performed well amid the wider tech rally.

The holding in SVB Financial Group (US) also hurt performance due to the company's liquidity issues and subsequent bankruptcy filing in the first half of the year. SVB Financial, known for its strong presence in providing finance to the private equity and venture capital industry, offered a unique banking exposure for the portfolio. However, the company's investments in bonds and other debt instruments that were highly sensitive to interest rate volatility posed challenges in an environment of rising rates. With the increase in interest rates, the value of the company's bond portfolio significantly declined, giving rise to a potential liquidity risk on the balance sheet. That said, the portfolio's diversification ensured that the negative impact of this single security on the overall performance was relatively small.

In addition to the aforementioned CrowdStrike, new purchases over the period included Micron Technology Inc (US) and Marvell Technology (US).

Micron is an industry-leading computer memory and storage company, with a strong competitive position supported by increased diversification of both its products and end markets. Micron has made substantial operational improvements and is a leader in process technology, power efficient products and performance reliability.

Marvell is a developer and producer of data infrastructure and semiconductor solutions, with attractive exposure to data centre growth worldwide. The firm has a strong and growing position in a niche part of the semiconductor market, and its expertise in digital semiconductors acts as a high barrier to entry and positions the company to benefit from the trend towards cloud computing and AI. Marvell is also benefiting from a number of growth drivers across its 5G and automotive segments.

We sold our position in First Republic Bank (US) in the middle of March ahead of the bank's collapse and forced takeover in April. First Republic was impacted by SVB's failure and the subsequent loss of confidence in regional US banks. We profitably sold JP Morgan Chase & Co (US) and Stryker Corp (US) following both stocks' strong performance. We also exited Orsted A/S (Denmark) as we believe that there are better opportunities elsewhere.

Compared with 2022, macro sentiment had less impact on markets in 2023 and the focus was more on the earnings results of individual companies. Higher interest rates will remain important in 2024 and may place some pressure on unprofitable growth stocks, so we stress the importance of focusing on the quality of the growth opportunity; markets will want to see evidence of profitability and pricing power in the near term.

Our holdings, on the whole, tend to be less sensitive to swings in the wider economy and so should be better placed in an environment of slower growth. They are typically cash-generative and, in many cases, have business models focused on recurring revenues. These companies also tend to have strong balance sheets, so they should be less impacted by the need to refinance debt at higher rates. In addition, many are supported by powerful trends over the longer term.

While the equity rally was quite narrowly led by major players in the technology sector in 2023, diversification will remain important in the year ahead as investment to tackle issues such as decarbonisation, deglobalisation and energy efficiency creates a broad opportunity set. We believe that we can find quality growing companies across a range of sectors and geographies.

Worldwide Equity Fund
Comparative Tables
for the accounting period 1st January 2023 to 31st December 2023

	Preference Shares		
	2023	2022	2021
Change in net assets per share	US$	US$	US$
Opening net asset value per share	3.3464	4.5242	3.9784
Return before operating charges[1]	0.9358	(1.0991)	0.6379
Operating charges	(0.0838)	(0.0787)	(0.0921)
Return after operating charges	0.8520	(1.1778)	0.5458
Distributions on preference shares	–	–	–
Closing net asset value per share	4.1984	3.3464	4.5242
after direct transaction costs[1]	(0.0021)	(0.0018)	(0.0013)
Performance			
Return after charges	25.46%	(26.03%)	13.72%
Other information			
Closing net asset value (US$)	24,295,252	22,510,588	33,199,767
Closing number of shares	5,786,764	6,726,811	7,338,223
Operating charges	2.25%	2.15%	2.12%
Direct transaction costs (note 13)	0.06%	0.05%	0.03%
Ongoing Charges Figure ("OCF")[2]	2.25%	2.15%	2.12%

Prices	2023	2022	2021	2020	2019
Highest offer share price (US$)	4.4420	4.7830	4.8740	4.2160	3.4940
Lowest bid share price (US$)	3.3360	3.0400	3.9320	2.3740	2.4780
Net distribution per share (US$)	–	–	–	–	–

Notes

[1]Return before operating charges is stated after direct transaction costs.

[2]The OCF takes into account the annual management charge and any expenses incurred, expressed as a percentage of the average daily net asset values over the year.

Please refer to the Direct transaction costs note on page 26, for more detail regarding the nature of transaction costs and how they arise for different types of investments.

Please remember that past performance is not a guide to future performance, and it might not be repeated. The value of investments and the revenue from them may go down as well as up and because of this, investors may not get back money invested and are not certain to make a profit on their investment.

Statement of Total Return

for the accounting period 1st January 2023 to 31st December 2023

	Notes	2023 US$	2022 US$
Income			
Net capital gains/(losses)	2	5,492,708	(8,333,455)
Revenue	3	398,062	365,236
Expenses	4	(501,682)	(546,673)
Net expense before taxation		(103,620)	(181,437)
Taxation	5	(82,057)	(86,672)
Net expense after taxation		(185,677)	(268,109)
Total return before distributions		5,307,031	(8,601,564)
Distributions	6	9,064	15,789
Change in Net Assets Attributable to Preference Shareholders from investment activities		5,316,095	(8,585,775)

Balance Sheet

as at 31st December 2023

	Notes	2023 US$	2022 US$
Assets:			
Fixed assets:			
Investments	7	24,067,497	22,202,834
Current assets:			
Debtors	8	242,347	239,485
Cash and bank balances		278,432	365,085
Total assets		24,588,276	22,807,404
Liabilities:			
Creditors:			
Other creditors	9	(65,497)	(71,639)
Total liabilities		(65,497)	(71,639)
Equity:			
Nominal shares (note 14, page 81)		(227,527)	(225,177)
Total equity		(227,527)	(225,177)
Net Assets Attributable to Preference Shareholders		24,295,252	22,510,588

Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2023 to 31st December 2023

	2023 US$	2022 US$
Opening Net Assets Attributable to Preference Shareholders	22,510,588	33,199,767
Amounts receivable on issue of shares	676,468	1,515,580
Amounts payable on cancellation of shares	(4,207,899)	(3,618,984)
	(3,531,431)	(2,103,404)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	5,316,095	(8,585,775)
Closing Net Assets Attributable to Preference Shareholders	24,295,252	22,510,588

Distribution Table

There is no distribution for the accounting period 1st January 2023 to 31st December 2023, as expenses exceed revenue (December 2022: US$ Nil).

The notes on pages 25 to 27 form an integral part of the financial statements.

Worldwide Equity Fund
Portfolio Statement
As at 31st December 2023

Investment	Currency	Holding	Market Value US$	% of Net Assets
Equities 99.06% (98.63%)				
Australia 0.79% (0.00%)				
CSL Ltd.	AUD	982	192,075	0.79
			192,075	**0.79**
Canada 1.92% (0.90%)				
Nutrien Ltd.	CAD	3,888	218,077	0.90
Waste Connections, Inc.	USD	1,659	247,606	1.02
			465,683	**1.92**
Cayman Islands 0.00% (0.33%)				
Denmark 1.11% (3.94%)				
Novo Nordisk A/S 'B'	DKK	2,598	268,757	1.11
			268,757	**1.11**
France 7.81% (7.04%)				
AXA SA	EUR	7,209	234,722	0.97
EssilorLuxottica SA	EUR	1,554	312,151	1.28
L'Oreal SA	EUR	553	276,083	1.14
LVMH Moet Hennessy Louis Vuitton SE	EUR	341	277,278	1.14
Schneider Electric SE	EUR	1,949	391,926	1.61
TotalEnergies SE	EUR	5,955	405,743	1.67
			1,897,903	**7.81**
Germany 1.64% (1.50%)				
adidas AG	EUR	915	186,080	0.77
Infineon Technologies AG	EUR	5,100	212,504	0.87
			398,584	**1.64**
Hong Kong 1.03% (1.56%)				
AIA Group Ltd.	HKD	28,800	250,986	1.03
			250,986	**1.03**
India 1.64% (1.64%)				
HDFC Bank Ltd., ADR	USD	5,961	399,327	1.64
			399,327	**1.64**
Indonesia 1.23% (1.63%)				
Bank Rakyat Indonesia Persero Tbk. PT	IDR	805,519	298,205	1.23
			298,205	**1.23**
Ireland 4.64% (2.27%)				
CRH plc	USD	5,389	373,404	1.54
Linde plc (Frankfurt Stock Exchange listing)	EUR	643	261,742	1.08
Linde plc (Nasdaq listing)	USD	359	147,585	0.61
Smurfit Kappa Group plc	GBP	3,586	142,171	0.58
Trane Technologies plc	USD	825	201,028	0.83
			1,125,930	**4.64**
Japan 3.52% (3.64%)				
Keyence Corp.	JPY	900	395,737	1.63
Recruit Holdings Co. Ltd.	JPY	4,600	193,945	0.80
Sony Group Corp.	JPY	2,800	265,442	1.09
			855,124	**3.52**
Jersey 0.80% (0.00%)				
Aptiv plc	USD	2,170	195,213	0.80
			195,213	**0.80**
Mexico 0.79% (0.00%)				
Grupo Financiero Banorte SAB de CV 'O'	MXN	19,022	192,685	0.79
			192,685	**0.79**
Netherlands 0.50% (0.84%)				
Akzo Nobel NV	EUR	1,463	121,240	0.50
			121,240	**0.50**
Norway 1.15% (1.56%)				
Equinor ASA	NOK	8,832	280,161	1.15
			280,161	**1.15**
Singapore 0.94% (1.56%)				
DBS Group Holdings Ltd.	SGD	9,000	227,610	0.94
			227,610	**0.94**
South Korea 0.00% (2.40%)				
Switzerland 3.99% (5.14%)				
DSM-Firmenich AG	EUR	2,350	238,981	0.98
Nestle SA	CHF	3,432	397,658	1.64
SIG Group AG	CHF	6,197	142,546	0.59
Sika AG	CHF	583	189,588	0.78
			968,773	**3.99**
Taiwan 2.06% (2.22%)				
Taiwan Semiconductor Manufacturing Co. Ltd., ADR	USD	4,812	501,122	2.06
			501,122	**2.06**
Equities 99.06% (98.63%) (continued)				
United Kingdom 4.58% (4.88%)				
Anglo American plc	GBP	5,054	126,963	0.52
Ashtead Group plc	GBP	3,327	231,658	0.95
London Stock Exchange Group plc	GBP	1,344	158,894	0.65
RELX plc	EUR	4,453	176,395	0.73
Shell plc	GBP	12,795	419,113	1.73
			1,113,023	**4.58**
United States of America 58.41% (54.90%)				
Adobe, Inc.	USD	593	353,647	1.46
Advanced Drainage Systems, Inc.	USD	1,042	147,339	0.61
Advanced Micro Devices, Inc.	USD	1,878	278,432	1.15
Alphabet, Inc. 'A'	USD	5,821	812,728	3.34
Amazon.com, Inc.	USD	5,830	891,115	3.67
Autodesk, Inc.	USD	1,395	340,464	1.40
Boston Scientific Corp.	USD	4,229	245,832	1.01
Cooper Cos., Inc. (The)	USD	483	182,946	0.75
Crowdstrike Holdings, Inc. 'A'	USD	923	235,079	0.97
Dexcom, Inc.	USD	1,827	226,676	0.93
Ecolab, Inc.	USD	1,565	310,965	1.28
Electronic Arts, Inc.	USD	2,429	331,971	1.37
Elevance Health, Inc.	USD	751	353,668	1.46
Eli Lilly & Co.	USD	689	402,727	1.66
Equinix, Inc., REIT	USD	313	252,557	1.04
Humana, Inc.	USD	365	167,174	0.69
Intercontinental Exchange, Inc.	USD	2,083	267,707	1.10
Intuit, Inc.	USD	680	425,245	1.75
Intuitive Surgical, Inc.	USD	750	253,635	1.04
Lam Research Corp.	USD	351	274,328	1.13
Marvell Technology, Inc.	USD	4,892	296,259	1.22
Mastercard, Inc. 'A'	USD	1,137	484,714	1.99
MercadoLibre, Inc.	USD	165	259,883	1.07
Micron Technology, Inc.	USD	4,916	421,252	1.73
Microsoft Corp.	USD	3,543	1,330,963	5.48
Motorola Solutions, Inc.	USD	820	256,849	1.06
NextEra Energy, Inc.	USD	3,770	229,141	0.94
NVIDIA Corp.	USD	1,537	757,111	3.12
PepsiCo, Inc.	USD	1,965	333,559	1.37
QUALCOMM, Inc.	USD	3,053	440,762	1.81
Thermo Fisher Scientific, Inc.	USD	614	326,433	1.34
T-Mobile US, Inc.	USD	2,364	379,635	1.56
Trimble, Inc.	USD	5,374	286,649	1.18
Uber Technologies, Inc.	USD	6,201	385,454	1.59
Union Pacific Corp.	USD	1,662	408,038	1.68
Visa, Inc. 'A'	USD	1,081	281,990	1.16
Xylem, Inc.	USD	2,571	293,814	1.21
Zoetis, Inc. 'A'	USD	1,339	264,131	1.09
			14,190,872	**58.41**
Virgin Islands, British 0.51% (0.68%)				
Nomad Foods Ltd.	USD	7,303	124,224	0.51
			124,224	**0.51**
Equities total			**24,067,497**	**99.06**
Total value of investments			24,067,497	99.06
Net other assets (2022: 1.37%)			227,755	0.94
Net assets attributable to shareholders			**24,295,252**	**100.00**

All holdings are ordinary shares or stock units and admitted to official stock exchange listings unless otherwise stated.

The comparative percentage figures in brackets are as at 31st December 2022.

1 ACCOUNTING POLICIES

The accounting policies for the Fund are the same as those disclosed in the Aggregated Financial Statements on page 78.

2 NET CAPITAL GAINS/(LOSSES)

The net capital gains/(losses) during the year comprise:

	2023 US$	2022 US$
Other income	–	773
Non-derivative securities	5,511,701	(8,317,907)
Other currency gains/(losses)	469	(812)
Forward currency contracts	(1,243)	541
Transaction charges	(18,219)	(16,050)
Net capital gains/(losses)	5,492,708	(8,333,455)

Gains/(losses) from non-derivatives securities include realised gains of US$ 772,056 (2022: US$ 1,825,141) and change in unrealised gains of US$ 4,739,645 (2022: US$ 10,143,048 unrealised losses).

Forward currency derivative contracts include realised losses of US$ 1,243 (2022: US$ 541 realised gains).

3 REVENUE

	2023 US$	2022 US$
Bank interest	13,380	2,701
Overseas dividends	384,682	362,535
Total revenue	398,062	365,236

4 EXPENSES

	2023 US$	2022 US$
Payable to the Fund Manager, associates of the Manager and agents of either of them:		
Annual management charge	(452,844)	(510,225)
Directors' fees	(4,044)	(3,877)
Registration expenses	(1,489)	(1,496)
	(458,377)	(515,598)
Payable to the Fiduciary Custodian, associates of the Fiduciary Custodian and agents of either of them:		
Fiduciary Custodian's fees	(9,289)	(10,466)
Safe custody fees	(5,657)	(5,704)
Interest payable	(141)	(37)
	(15,087)	(16,207)
Other expenses:		
Audit fee	(21,608)	(9,445)
Publication charges	(4,761)	(3,574)
Regulatory and professional fees	(1,849)	(1,849)
	(28,218)	(14,868)
Total expenses	(501,682)	(546,673)

5 TAXATION

	2023 US$	2022 US$
Analysis of charge in year:		
Overseas tax suffered	(82,057)	(86,672)
Total overseas taxation	(82,057)	(86,672)

6 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	2023 US$	2022 US$
Revenue deducted on cancellation of shares	10,609	21,283
Revenue received on creation of shares	(1,545)	(5,494)
Distributions for the year	9,064	15,789

Details of the distribution per share are set out on page 23.

7 INVESTMENTS

Fair Value Hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

Valuation technique	2023 Assets US$	2022 Assets US$
Level 1: Quoted prices	24,067,497	22,202,834
Level 2: Observable market data	–	–
Level 3: Unobservable data	–	–
Total value	24,067,497	22,202,834

8 DEBTORS

	2023 US$	2022 US$
Accrued revenue	12,538	12,441
Overseas tax recoverable	818	798
Prepaid expenses	1,464	1,069
Receivable from Fund Manager – Nominal shares	227,527	225,177
Total debtors	242,347	239,485

9 OTHER CREDITORS

	2023 US$	2022 US$
Accrued expenses	(26,586)	(16,367)
Amounts payable to the Fund Manager	(35,777)	(35,761)
Amounts payable for cancellation of shares	(3,134)	(19,511)
Total creditors	(65,497)	(71,639)

10 RELATED PARTY TRANSACTIONS

Monument International Fund Managers (IOM) Limited (Fund Manager) provides services to the company under the terms of a management agreement (page 79, note 10) and acts as principal in respect of all transactions of shares in the Fund.

The Fund Manager owns the management shares of the company and has common directors with the company namely Jeffrey Boysie McPherson More, and Darren Mark Kelly who have waived their rights to directors fees. Directors fees are payable to each of the two non-executive directors of the company.

The total director fees expense for the year was US$ 4,044 (2022: US$ 3,877) with US$ 1,375 (2022: US$ 1,167) outstanding at year end.

Amounts paid to the Fund Manager in respect of Fund administration and registrar services are disclosed in Note 4. A balance of US$ 35,395 (December 2022: US$ 35,523) in respect of the annual management charge, and US$ 382 (December 2022: US$ 238) in respect of registration expenses is due at the end of the accounting period and is included within amounts payable to the Fund Manager.

At the balance sheet date Preference Shareholders from within the Monument Re Group of which the Fund is a related party, hold 3,827,343 (2022: 4,672,462) Preference Shares in the Fund.

The aggregate monies received through creations and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Preference Shareholders. The amounts due from/to Monument International Fund Managers (IOM) Limited in respect of share transactions at the end of the accounting period are disclosed in Notes 8 and 9.

11 SHARES IN ISSUE RECONCILIATION

	Number of shares in issue at start of the year	Number of shares created	Number of shares cancelled	Number of shares in issue at end of the year
Participating Redeemable Preference Shares	6,726,811	183,841	(1,123,888)	5,786,764

12 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities at the balance sheet date. (2022: US$ Nil).

13 DIRECT TRANSACTION COSTS

In the case of equity shares, broker commissions, transfer taxes and stamp duties are paid by the Fund on each transaction. Unlike equity shares, other types of investments (such as bonds, money market instruments, and derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread between buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the Fund Manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a Fund invests.
- As the Fund Manager's investment decisions are not predictable, transaction costs are also not predictable.

The direct transaction costs incurred during the year were as follows:

					Year to 31st December 2023	
	Principal	Commissions	Taxes	Total Cost	Commissions as a percentage of principal	Taxes as a percentage of principal
	US$	US$	US$	US$	%	%
Purchases:						
Purchases (excluding in-specie and corporate action activity):						
Equity	8,159,892	1,951	6,310	8,168,153	0.02	0.07
	8,159,892	1,951	6,310	8,168,153		
Sales:						
Sales (excluding in-specie and corporate action activity):						
Equity	11,819,918	(2,835)	(1,624)	11,815,459	(0.02)	(0.01)
	11,819,918	(2,835)	(1,624)	11,815,459		
Total		4,786	7,934			
Percentage of Fund average net assets		0.02%	0.03%			

The direct transaction costs incurred during the prior year were as follows:

					Year to 31st December 2022	
	Principal	Commissions	Taxes	Total Cost	Commissions as a percentage of principal	Taxes as a percentage of principal
	US$	US$	US$	US$	%	%
Purchases:						
Purchases (excluding in-specie and corporate action activity):						
Equity	7,882,171	2,253	7,817	7,892,241	0.03	0.10
	7,882,171	2,253	7,817	7,892,241		
Sales:						
Sales (excluding in-specie and corporate action activity):						
Equity	10,264,798	(2,522)	(1,132)	10,261,144	(0.02)	(0.01)
	10,264,798	(2,522)	(1,132)	10,261,144		
Total		4,775	8,949			
Percentage of Fund average net assets		0.02%	0.03%			

13 DIRECT TRANSACTION COSTS (continued)

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.08% (2022: 0.10%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

14 FINANCIAL INSTRUMENTS

The analysis and tables provided below refer to the narrative disclosure on derivatives and other financial instrument risks on page 79.

Currency exposures

A substantial proportion of the Net Assets of the Fund are denominated in currencies other than US Dollars, which is the base currency in which the Fund is managed. This has the effect that the Balance Sheet and Statement of Total Return can be significantly affected by currency movements.

Currency risk sensitivity

As at 31st December 2023 the Fund was exposed to currency risk through the assets and liabilities denominated in foreign currencies.

If the exchange rates at 31st December 2023 between US$ and all other currencies had strengthened by 5% (2022: 5%), with all other variables held constant, this would have decreased the net assets attributable to preference shareholders by US$ 384,673 (2022: US$ 428,066).

A weakening of the US$ compared to other currencies would have resulted in an equal and opposite effect on the financial statements, assuming that all other variables remained constant.

Net foreign currency assets	Monetary exposure	Non-monetary exposure	Total
Currency 2023	US$	US$	US$
Australian Dollar	261	192,075	192,336
Canadian Dollar	1,580	218,077	219,657
Danish Krone	147	268,756	268,903
Euro	2,455	3,094,845	3,097,300
Hong Kong Dollar	39	250,986	251,025
Indonesian Rupiah	–	298,205	298,205
Japanese Yen	3	855,124	855,127
Mexican Peso	53	192,686	192,739
New Zealand Dollar	652	–	652
Norwegian Krone	92	280,161	280,253
Polish Zloty	121	–	121
Singapore Dollar	12	227,609	227,621
South African Rand	4	–	4
Swedish Krona	60	–	60
Swiss Franc	20	729,792	729,812
UK Sterling	850	1,078,799	1,079,649
US Dollar	227,475	16,374,313	16,601,788
Currency 2022	US$	US$	US$
Australian Dollar	234	–	234
Canadian Dollar	1,015	202,223	203,238
Danish Krone	127	886,901	887,028
Euro	1,285	2,428,847	2,430,132
Hong Kong Dollar	36	351,427	351,463
Indonesian Rupiah	–	367,117	367,117
Japanese Yen	3	818,529	818,532
Mexican Peso	42	–	42
New Zealand Dollar	632	–	632
Norwegian Krone	90	351,688	351,778
Polish Zloty	104	–	104
Singapore Dollar	97	351,539	351,636
South African Rand	4	–	4
South Korean Won	1,968	539,745	541,713
Swedish Krona	57	–	57
Swiss Franc	183	1,157,855	1,158,038
UK Sterling	136	1,099,436	1,099,572
US Dollar	301,741	13,647,527	13,949,268

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the Fund's financial assets and financial liabilities at 31st December 2023 and 31st December 2022 was:

	2023	2022
Assets	US$	US$
Fixed rate financial assets	–	–
Floating rate financial assets	278,432	365,085
Financial assets not carrying interest	24,082,317	22,217,142
	2023	**2022**
Liabilities	US$	US$
Fixed rate financial liabilities	–	–
Floating rate financial liabilities	–	–
Financial liabilities not carrying interest	(65,497)	(71,639)

There are no material amounts of non interest-bearing financial assets, other than equities, which do not have maturity dates.

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

The Fund's Preference Shares are financial liabilities that do not carry interest and there are no other material financial liabilities that carry interest.

Other price risk sensitivity

As at 31st December 2023 the Fund was exposed to other market price risk due to its investments in equities. The percentage of the net assets held in these investments are disclosed in the Portfolio Statement of the Fund. The sensitivity analysis assumes a change in the market price of equities and exchange traded funds while holding all other variables constant. In practice all other variables are unlikely to remain constant, and changes in some of the variables may be correlated.

As at 31st December 2023, had the fair value of equity securities increased/(decreased) by 5% (2022: 5%), with all other variables held constant, the net assets attributable to preference shareholders would have increased/(decreased) by US$ 1,203,374 (2022: US$ 1,110,142).

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value. The basis of valuation is disclosed in Note 1 (5) to the Aggregated Financial Statements.

Managed Currency Fund

Fund Investment Report

Investment Policy
To invest in a portfolio of short term fixed interest investments. The Managed Currency Fund invests principally in deposits.

Types of Investment
The majority of the Investment Fund is invested in short dated bonds and interest bearing time deposits, and is earning the higher rates of interest not normally available to the individual investor. Investments may be made in all forms of money market instrument which are normally held to maturity, and in any currency where the projected return over the life of the investment is attractive. The Fund will normally have a bias towards United States (US) Dollar denominated assets.

Limited sales and purchases of currencies may be made through options and the forward and financial futures markets whilst bearing in mind the investment policy of the Fund, the Fund size and the Regulations.

It must be remembered that the price of shares and the income from them can go down as well as up.

Fund Performance
Over the 12 months to 31st December 2023, the Fund achieved a gross return of 4.6%, while the benchmark returned 5.0%, in United States (US) Dollar terms.

Review
During the 12 months under review, the portfolio was invested in United States (US) Dollar deposits, with a smaller allocation to US Treasury Bills. The latter are issued by the US government for periods of up to 52 weeks.

The Fund produced a positive return over the year, buoyed by further rises in US interest rates, although it lagged the benchmark.

Over the first three quarters of 2023, central banks across most of the developed world continued to tighten monetary policy in a bid to defeat inflation and break any potential wage-price spiral. However, in the fourth quarter (Q4), the US Federal Reserve (Fed), Bank of England (BoE) and European Central Bank (ECB) left rates unchanged.

Within the currency markets, the US Dollar weakened against the Pound and the Euro but strengthened versus the Yen during 2023. Over the course of the year, the Fed raised US interest rates by a total of 1.0%, with the federal funds rate rising from a target range of 4.25%-4.50% at the start of 2023 to a 22-year high of 5.25% to 5.50% at the end of the year. In September, Fed communications cautioned that the fight against inflation was not over, bolstering the market's view that rates would stay 'higher for longer'. However, at the Fed's December policy meeting, rates were kept on hold for a third time in a row and markets detected a discernibly dovish pivot. As well as acknowledging slowing US growth and progress on inflation, the Federal Open Markets Committee reduced its rate projection for the end of 2024 to 0.75% below current levels. Fed Chairman Jerome Powell noted the risk of keeping rates too high for too long.

In other financial news, a key development back in March was the well-publicised collapse of US-based Silicon Valley Bank, along with two smaller US lenders. Bank shares plunged globally on fears that the fallout could spread to the broader financial sector. In Europe, the Swiss government brokered an emergency deal for UBS to acquire its troubled rival Credit Suisse. However, a more general crisis was averted thanks to decisive action from US and European regulators, who said they would deploy all tools necessary to protect the banking system. Concerns resurfaced in April, as the extent of bond portfolio losses and customer withdrawals at several US banks were laid bare in quarterly earnings updates. This led to a further loss of confidence in First Republic Bank, which was eventually taken over by JPMorgan.

In the United Kingdom (UK), the Pound rose against other major currencies over the year. During 2023, the BoE raised UK interest rates by a total of 1.75% to 5.25%, although the base rate was unchanged in Q4. In recent announcements, the BoE appeared to strike a more cautious note than the Fed, and warned that the fight against inflation was not yet over, leading to expectations that rates in the UK may stay higher for longer than in the US. However, sentiment received a boost from a larger than expected drop in UK inflation late in the year. The Office for National Statistics (ONS) reported that consumer price inflation fell to 3.9% in the year to November, down from 4.6% in October. Meanwhile, other recent economic releases showed signs of weakness; ONS data revealed that Gross Domestic Product (GDP) contracted by 0.1% in Q3, against an initial estimate of zero, while BoE policymakers forecast "broadly flat" GDP growth over the next several quarters, partly because of weak investment. On a more positive note, consumer confidence rose to a three-month high in December, while festive shopping helped November's retail sales bounce back from a slow October.

During 2023, the Euro weakened versus the Pound but strengthened against the US Dollar and the Yen. The ECB increased its main deposit rate by a total of 2.0% in 2023 and, alongside the BoE, has maintained more hawkish messaging than the Fed. The ECB has kept it higher for longer interest rate narrative and President Christine Lagarde stated that policymakers "did not discuss rate cuts at all" at the December meeting. Figures from Eurostat showed that economic data has softened in continental Europe, with Q3 GDP for the Eurozone slipping into negative territory. annual Eurozone inflation edging closer to the ECB's target levels, falling from 2.9% in October to 2.4% in November. The ECB has also lowered its 2024 forecasts for both inflation and economic growth.

Elsewhere, the Bank of Japan kept its key interest rate unchanged at -0.1% throughout the year and the Yen weakened against other major currencies.

In summary, headline inflation has fallen from its earlier peaks, aided by the easing of supply chain bottlenecks and lower energy prices. The Fed has recently pivoted towards a dovish stance on monetary policy, while the ECB and BoE remain cautious. The ECB is currently continuing its higher for longer refrain on Eurozone interest rates, although markets expect it to become more accommodative during 2024, given encouraging inflation news and weak economic data. Meanwhile, at the BoE's December meeting, three members of the nine-strong Monetary Policy Committee voted for a rate hike. Policymakers reiterated that rates could still rise if necessary, and are likely to be restrictive for an extended period.

Managed Currency Fund
Comparative Tables
for the accounting period 1st January 2023 to 31st December 2023

	Preference Shares		
	2023	**2022**	**2021**
Change in net assets per share	**US$**	**US$**	**US$**
Opening net asset value per share	0.3230	0.3240	0.3286
Return before operating charges[1]	0.0147	0.0047	(0.0009)
Operating charges	(0.0050)	(0.0046)	(0.0037)
Return after operating charges	0.0097	0.0001	(0.0046)
Distributions on preference shares	(0.0107)	(0.0011)	–
Closing net asset value per share	0.3220	0.3230	0.3240
after direct transaction costs[1]	–	–	–
Performance			
Return after charges	3.00%	0.03%	(1.40)%
Other information			
Closing net asset value (US$)	470,693	488,496	506,810
Closing number of shares	1,461,941	1,512,201	1,564,194
Operating charges	1.55%	1.44%	1.14%
Direct transaction costs (note 12)	–	–	–
Ongoing Charges Figure ("OCF")[2]	1.55%	1.44%	1.14%

Prices	**2023**	**2022**	**2021**	**2020**	**2019**
Highest offer share price (US$)	0.3449	0.3412	0.3459	0.3489	0.3513
Lowest bid share price (US$)	0.3225	0.3202	0.3240	0.3286	0.3314
Net distribution per share (US$)	0.0107	0.0011	–	0.0004	0.0038

Notes

[1] Return before operating charges is stated after direct transaction costs.

[2] The OCF takes into account the annual management charge and any expenses incurred, expressed as a percentage of the average daily net asset values over the year.

Please remember that past performance is not a guide to future performance, and it might not be repeated. The value of investments and the revenue from them may go down as well as up and because of this, investors may not get back money invested and are not certain to make a profit on their investment.

Statement of Total Return

for the accounting period 1st January 2023 to 31st December 2023

	Notes	2023 US$	2022 US$
Income			
Net capital losses	2	(1,569)	(1,499)
Revenue	3	21,519	7,285
Expenses	4	(5,967)	(5,679)
Net revenue before taxation		15,552	1,606
Taxation		–	–
Net revenue after taxation		15,552	1,606
Total return before distribution		13,983	107
Distributions	5	(15,552)	(1,606)
Change in Net Assets Attributable to Preference Shareholders from investment activities		(1,569)	(1,499)

Balance Sheet

as at 31st December 2023

	Notes	2023 US$	2022 US$
Assets:			
Fixed assets:			
Investments	6	182,156	201,632
Current assets:			
Debtors	7	61,336	61,923
Cash and bank balances		296,615	287,382
Total assets		540,107	550,937
Liabilities:			
Creditors:			
Distribution payable		(8,324)	(1,685)
Other creditors	8	(942)	(733)
Total liabilities		(9,266)	(2,418)
Equity:			
Nominal shares (note 14, page 81)		(60,148)	(60,023)
Total equity		(60,148)	(60,023)
Net Assets Attributable to Preference Shareholders		470,693	488,496

Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2023 to 31st December 2023

	2023 US$	2022 US$
Opening Net Assets Attributable to Preference Shareholders	488,496	506,810
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	6,824	–
Amounts payable on cancellation of shares	(23,058)	(16,815)
	(16,234)	(16,815)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	(1,569)	(1,499)
Closing Net Assets Attributable to Preference Shareholders	470,693	488,496

Distribution Table

for the accounting period 1st January 2023 to 30th June 2023

	Income US$	Equalisation US$	Distribution paid 2023 US$	Distribution paid 2022 US$
Group 1	0.0050	–	0.0050	0.0000
Group 2	0.0050	–	0.0050	0.0000

Group 2 units are those purchased after 16:00 (UK time) on 31st December 2022.

for the accounting period 1st July 2023 to 31st December 2023

	Income US$	Equalisation US$	Distribution Payable 2023 US$	Distribution paid 2022 US$
Group 1	0.0057	–	0.0057	0.0011
Group 2	0.0034	0.0023	0.0057	0.0011

Group 2 units are those purchased after 16:00 (UK time) on 30th June 2023.

The notes on pages 32 to 33 form an integral part of the financial statements.

Managed Currency Fund
Portfolio Statement
As at 31st December 2023

Investment	Currency	Holding	Market Value US$	% of Net Assets
Government Bonds 9.51% (3.07%)				
United States of America 9.51% (3.07%)				
US Treasury Bill 0.00% 18/01/2024	USD	$30,000	29,912	6.36
US Treasury Bill 0.00% 19/03/2024	USD	$15,000	14,824	3.15
			44,736	**9.51**
Government Bonds total			**44,736**	**9.51**
Time Deposits 29.19% (38.21%)				
United States of America 29.19% (38.21%)				
First Abu Dhabi Bank PJSC 5.52% 07/02/2024	USD	45,898	45,898	9.75
Mitsubishi UFJ Trust and Banking Corp. 5.78% 20/02/2024	USD	45,377	45,377	9.64
Standard Chartered Bank 4.27% 18/03/2024	USD	46,145	46,145	9.80
			137,420	**29.19**
Time Deposits total			**137,420**	**29.19**
Total value of investments			182,156	38.70
Net other assets (2022: 58.72%)			288,537	61.30
Net assets attributable to shareholders			**470,693**	**100.00**

*United States Dollar (US$) time deposits equal to or greater than 3 months at 31st December 2023 was US$ 137,420 (December 2022: US$ 186,649).

All investments in time deposits are other securities which are not admitted to official stock exchange listing or on another regulated market.

The comparative percentage figures in brackets are as at 31st December 2022.

Managed Currency Fund
Notes to the Financial Statements
for the accounting period 1st January 2023 to 31st December 2023

1 ACCOUNTING POLICIES

The accounting policies for the Fund are the same as those disclosed in the Aggregated Financial Statements on page 78.

2 NET CAPITAL LOSSES

The net capital (losses) during the year comprise:

	2023 US$	2022 US$
Non-derivative securities	(9)	–
Other currency gains/(losses)	1	(1)
Transaction charges	(1,561)	(1,498)
Net capital (losses)	(1,569)	(1,499)

Losses from non-derivatives securities include realised loss of US$ 2 (2022: US$ nil) and change in unrealised loss of US$ 7 (2022: US$ nil).

3 REVENUE

	2023 US$	2022 US$
Interest on debt securities	21,519	7,285
Total revenue	21,519	7,285

4 EXPENSES

	2023 US$	2022 US$
Payable to the Fund Manager, associates of the Manager and agents of either of them:		
Annual management charge	(4,733)	(4,965)
Directors' fees	(76)	(69)
Registration expenses	(160)	(161)
	(4,969)	(5,195)
Payable to the Fiduciary Custodian, associates of the Fiduciary Custodian and agents of either of them:		
Fiduciary Custodian's fees	(190)	(198)
Interest payable	(228)	(28)
	(418)	(226)
Other expenses:		
Audit fee	(475)	(169)
Publication charges	(76)	(60)
Regulatory and professional fees	(29)	(29)
	(580)	(258)
Total expenses	(5,967)	(5,679)

5 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	2023 US$	2022 US$
Interim	(7,168)	–
Final	(8,324)	(1,685)
	(15,492)	(1,685)
Revenue deducted on cancellation of shares	(106)	79
Revenue received on creation of shares	46	–
Distributions for the year	(15,552)	(1,606)

Details of the distribution per share are set out on page 30.

6 INVESTMENTS

Fair Value Hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

	2023 Assets US$	2022 Assets US$
Level 1: Quoted prices	44,736	14,983
Level 2: Observable market data	137,420	186,649
Level 3: Unobservable data	–	–
Total value	182,156	201,632

7 DEBTORS

	2023 US$	2022 US$
Accrued bank interest	1,150	1,878
Prepaid expenses	38	22
Receivable from Fund Manager – Nominal shares	60,148	60,023
Total debtors	61,336	61,923

8 OTHER CREDITORS

	2023 US$	2022 US$
Accrued expenses	(502)	(309)
Amounts payable to the Fund Manager	(440)	(424)
Total creditors	(942)	(733)

9 RELATED PARTY TRANSACTIONS

Monument International Fund Managers (IOM) Limited (Fund Manager) provides services to the company under the terms of a management agreement (page 79, note 10) and acts as principal in respect of all transactions of shares in the Fund.

The Fund manager owns the management shares of the company and has common directors with the company namely Jeffrey Boysie McPherson More and Darren Mark Kelly who have waived their rights to directors fees. Directors fees are payable to each of the two non-executive directors of the company.

The total director fees expense for the year was US$ 76 (2022: US$ 69) with US$ 20 (2022: US$ 22) outstanding at year end.

Amounts paid to the Fund manager in respect of Fund administration and registrar services are disclosed in Note 4. A balance of US$ 366 (December 2022: US$ 388) in respect of the annual management charge, and US$ 74 (December 2022: US$ 36) in respect of registration expenses is due at the end of the accounting period and is included within amounts payable to the Fund Manager.

At the balance sheet date Preference Shareholders from within the Monument Re Group of which the Fund is a related party, hold 355,205 (2022: 420,271) Preference Shares in the Fund.

The aggregate monies received through creations and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Preference Shareholders. The amounts due from/to Monument International Fund Managers (IOM) Limited in respect of share transactions at the end of the accounting period are disclosed in Notes 7 and 8.

10 SHARES IN ISSUE RECONCILIATION

	Number of shares in issue at start of the year	Number of shares created	Number of shares cancelled	Number of shares in issue at end of the year
Participating Redeemable Preference Shares	1,512,201	21,171	(71,431)	1,461,941

11 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities at the balance sheet date (2022: US$ Nil).

12 DIRECT TRANSACTION COSTS

No transaction costs on the purchase or sale of investments were incurred by the Fund during the year or prior year. The total purchases for the year amounted to US$ 168,058 (2022: US$ 14,955) and the total sales amounted to US$ 139,731 (2022: US$ Nil).

13 FINANCIAL INSTRUMENTS

The analysis and tables provided below refer to the narrative disclosure on derivatives and other financial instrument risks on page 79.

Currency exposures

The net assets of the Fund are predominantly denominated in US$ which is the base currency of the Fund. There is therefore minimal currency exposure.

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the Fund's financial assets and financial liabilities at 31st December 2023 and 31st December 2022 was:

Assets	2023 US$	2022 US$
Fixed rate financial assets	44,736	14,983
Floating rate financial assets	434,035	474,032
Financial assets not carrying interest	1,188	1,899
Liabilities	**2023** US$	**2022** US$
Fixed rate financial liabilities	–	–
Floating rate financial liabilities	–	–
Financial liabilities not carrying interest	(9,266)	(2,418)

There are no material amounts of non interest-bearing financial assets.

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

The Fund's Preference Shares are financial liabilities that do not carry interest and there are no other material financial liabilities that carry interest.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value. The basis of valuation is disclosed in Note 1 (5) to the Aggregated Financial Statements.

14 DEBT SECURITY CREDIT ANALYSIS

At the balance sheet date, the credit analysis of the Fund's debt securities was as follows:

	US$	2023 % of Net Assets	US$	2022 % of Net Assets
Investment grade securities*	44,736	9.51	14,983	3.07
	44,736	9.51	14,983	3.07

* Credit rating designations BBB or above are considered investment grade whereas credit rating designations BB or lower are considered below investment grade.

Gilt and Income Fund

Fund Investment Report

Investment Policy

To achieve a high total return with limited capital risk from a portfolio of Sterling-denominated fixed interest investments and money market assets.

Types of Investment

All assets are Sterling-denominated. Investments are primarily in Eurosterling Bonds and those United Kingdom (UK) Government Securities (gilt edged stock) which can pay income free of UK withholding tax to the Fund, and in bank deposits. As market conditions justify, investments may be made in other appropriate assets as permitted by the Regulations.

Limited sales and purchases of fixed interest securities may be made through options and financial futures, whilst bearing in mind the investment policy of the Fund and the Regulations.

It must be remembered that the price of shares and the income from them can go down as well as up.

Fund Performance

Over the 12 months to 31st December 2023, the Fund posted a total gross return of 3.7% in Sterling, performing in line with its benchmark, the FTSE Actuaries UK Conventional Gilts All Stocks Index.

Review

UK government bonds (known as gilts) posted positive returns in 2023 on the back of a strong end to the year. Despite periods of market volatility, yields (which move inversely to price) ultimately fell as inflation and the outlook for interest rates gradually declined over the course of the year; government bonds, including gilts, typically perform well in an environment of falling inflation and lower interest rates.

Gilts enjoyed a strong start to the year amid signs of cooling inflation, but then weakened in February following surprisingly strong employment and inflation data. Positive employment data can put upward pressure on wages and thereby on inflation. March was a good month for gilts after the collapse of two US lenders stoked fears of wider troubles in the banking sector, which pushed interest-rate forecasts lower as investors predicted that central banks would be unlikely to risk further distress in the financial sector.

Yields then trended higher for much of the second quarter (Q2), as persistently high inflation and strong labour markets in the United Kingdom (UK), United States (US) and eurozone meant that central banks continued to emphasise that interest rates could move higher. Over the summer, high inflation appeared particularly stubborn in the UK relative to other major economies, meaning gilts underperformed as markets expected the Bank of England (BoE) to keep interest rates higher for longer than its counterparts in the US and eurozone.

However, gilts then outperformed in Q3 as the UK inflation story finally appeared to take a positive turn. The BoE raised rates in September in 2023 to 5.25% but then, like other central banks, left interest rates unchanged for the rest of the period.

After a temporary downturn at the beginning of Q4, gilts resumed the rally from late October onwards as key measures of inflation continued to decline and signs of weakness appeared in UK economy. An economic slowdown and lower inflation make it less likely central banks, such as the BoE, will increase interest rates further. Indeed, late in the period, optimism grew that the major central banks – led by the US Federal Reserve – would start to cut interest rates sooner than previously thought. This proved supportive of global government bonds, including gilts.

The portfolio performed broadly in line with the benchmark in 2023.

We began the year overweight duration (which measures sensitivity to changes in interest rates) relative to the benchmark. This was beneficial in January as gilt yields declined. However, in February, being overweight in duration hurt performance as yields rose as inflation levels remained stubborn and labour markets demonstrated resilience, raising expectations that the BoE and other central banks could raise rates further.

The overweight duration position proved beneficial in March when the banking crisis triggered a rally in gilts. We elected to take some profits in the rally, which reduced duration.

Yields rose in Q2, as expectations of the interest-rate cuts that had been priced in during the banking crisis melted away. We took advantage of this renewed sell-off in gilts to increase duration in April and the first half of May, partly by buying newly issued gilts maturing in 2063. After April's consumer price inflation data came in higher than expected, we trimmed duration but retained our overweight.

The overweight duration exposure was especially disadvantageous in June when gilt yields rose markedly. However, this was partly offset by our underweight in shorter-dated bonds, where yields rose further; these bonds are more vulnerable to increases in interest rates.

Gilts rallied in July as the UK's inflation picture finally appeared to be improving. We trimmed duration modestly during the month, taking profits following a period of strong performance.

Early in August, we switched from 2049 gilts into 2033s in a curve steepener trade (switching long-dated bonds into shorter-dated bonds to take advantage of an anticipated widening in the yield spread between short and long maturities due to expectations of higher interest rates). Towards month end, we moved to an underweight position in the ultralong segment ahead of new supply.

Gilt and Income Fund

Fund Investment Report (continued)

Review (continued)

We trimmed duration in the second half of September and early October, although remained overweight relative to the benchmark. Gilt yields were initially dragged higher by their US counterparts in response to surprisingly robust US economic data and concerns about increased Treasury issuance. Additionally, in the UK, headline and core inflation readings for September were slightly above consensus forecasts, reinforcing fears that UK interest rates – much like those in the US – would remain higher for longer.

The more favourable backdrop that took hold in late October spurred a busy month of trading in November. We shifted the maturity profile of the portfolio further away from long-dated gilts and moderately reduced overall duration, profitably selling gilts with maturities ranging from 2027 to 2063 following strong performance.

We remained overweight duration through the end of year, which proved beneficial as gilts continued to perform well in December. We ended the year with a relative duration 0.60 years long of the benchmark.

Headline inflation has peaked in most countries, as bottlenecks in supply chains have improved and prices of numerous raw materials have eased. Core inflation is proving to be more 'sticky' and will remain the primary concern for policymakers for a while longer. Many central banks appear to have reached the end of their rate hiking cycles, but are likely to remain guarded in declaring victory over inflation. Policymakers have tried to shift the narrative from how high rates will go to how long they might remain at current levels.

In the UK, labour markets are showing signs of weakness. With unemployment now rising, wages look to have peaked, and appear to be easing in the private sector. As inflationary pressures are also cooling, the BoE has paused its tightening cycle, while leaving the door firmly ajar for further action, including interest rate increases, if warranted. However, the forward-looking economic data is broadly signalling an increased probability of recession. We think this creates a favourable outlook for gilts as an economic slowdown would make more rate rises less likely and increase the probability of cuts in 2024. We still remain cautious due to the prospect of further increased borrowing by the UK government, which could be detrimental for gilts.

We maintain our view that the long-term, structural drivers of low inflation and low bond yields remain intact and that neutral interest rates (the rate of inflation that would support the economy at full employment and stable inflation) will not prove to be any higher in this economic cycle than in previous ones.

Gilt and Income Fund
Comparative Tables
for the accounting period 1st January 2023 to 31st December 2023

	Preference Shares		
	2023	**2022**	**2021**
Change in net assets per share	**£**	**£**	**£**
Opening net asset value per share	0.3097	0.4225	0.4515
Return before operating charges[1]	0.0113	(0.1062)	(0.0228)
Operating charges	(0.0047)	(0.0055)	(0.0062)
Return after operating charges	0.0066	(0.1117)	(0.0290)
Distributions on preference shares	(0.0070)	(0.0011)	–
Closing net asset value per share	0.3093	0.3097	0.4225
after direct transaction costs of[1]	–	–	–
Performance			
Return after charges	2.12%	(26.44)%	(6.42)%
Other information			
Closing net asset value (£)	5,288,172	5,678,478	8,277,151
Closing number of shares	17,097,962	18,337,069	19,592,932
Operating charges	1.58%	1.53%	1.46%
Direct transaction costs (note 12)	–	–	–
Ongoing Charges Figure ("OCF")[2]	1.58%	1.53%	1.46%

Prices	**2023**	**2022**	**2021**	**2020**	**2019**
Highest offer share price (£)	0.3428	0.4404	0.4766	0.4912	0.4681
Lowest bid share price (£)	0.2834	0.2854	0.4054	0.4205	0.3977
Net distribution per share (£)	0.0070	0.0011	–	–	–

Notes

[1] Return before operating charges is stated after direct transaction costs.

[2] The OCF takes into account the annual management charge and any expenses incurred, expressed as a percentage of the average daily net asset values over the year.

Please refer to the Direct transaction costs note on page 39, for more detail regarding the nature of transaction costs and how they arise for different types of investments.

Please remember that past performance is not a guide to future performance, and it might not be repeated. The value of investments and the revenue from them may go down as well as up and because of this, investors may not get back money invested and are not certain to make a profit on their investment.

Statement of Total Return

for the accounting period 1st January 2023 to 31st December 2023

	Notes	2023 US$	2022 US$
Income			
Net capital losses	2	(25,434)	(2,671,724)
Revenue`	3	249,831	143,610
Expenses	4	(96,274)	(117,903)
Net revenue before taxation		153,557	25,707
Taxation		–	–
Net revenue after taxation		153,557	25,707
Total return before distributions		128,123	(2,646,017)
Distributions	5	(153,557)	(25,707)
Change in Net Assets Attributable to Preference Shareholders from investment activities		(25,434)	(2,671,724)

Balance Sheet

as at 31st December 2023

	Notes	2023 US$	2022 US$
Assets:			
Fixed assets:			
Investments	6	6,773,508	6,797,161
Current assets:			
Debtors	7	628,057	620,225
Cash and bank balances		13,934	60,762
Total assets		7,415,499	7,478,148
Liabilities:			
Creditors:			
Distributions payable		(82,547)	(25,128)
Other creditors	8	(15,281)	(48,997)
Total liabilities		(97,828)	(74,125)
Equity:			
Nominal shares (note 14, page 82)		(576,309)	(573,211)
Total equity		(576,309)	(573,211)
Net Assets Attributable to Preference Shareholders		6,741,362	6,830,812

Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2023 to 31st December 2023

	2023 US$	2022 US$
Opening Net Assets Attributable to Preference Shareholders	6,830,812	11,211,318
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	149,478	21,036
Amounts payable on cancellation of shares	(609,397)	(561,957)
	(459,919)	(540,921)
Difference on currency conversion	395,903	(1,168,716)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	(25,434)	(2,671,724)
Unclaimed distributions	–	855
Closing Net Assets Attributable to Preference Shareholders	**6,741,362**	**6,830,812**

Distribution Table

for the accounting period 1st January 2023 to 30th June 2023

	Income £	Equalisation £	Distribution paid 2023 £	Distribution Paid 2022 £
Group 1	0.0032	–	0.0032	0.0000
Group 2	0.0011	0.0021	0.0032	0.0000

Group 2 units are those purchased after 16:00 (UK time) on 31st December 2022.

for the accounting period 1st July 2023 to 31st December 2023

	Income £	Equalisation £	Distribution Payable 2023 £	Distribution Paid 2022 £
Group 1	0.0038	–	0.0038	0.0011
Group 2	0.0024	0.0014	0.0038	0.0011

Group 2 units are those purchased after 16:00 (UK time) on 30th June 2023.

The notes on pages 39 to 40 form an integral part of the financial statements.

Gilt and Income Fund
Portfolio Statement
As at 31st December 2023

Investment	Currency	Holding	Market Value US$	% of Net Assets
Government Bonds 93.06% (92.11%)				
United Kingdom 93.06% (92.11%)				
UK Treasury 4.50% 07/06/2028	GBP	£199,000	264,391	3.92
UK Treasury 0.25% 31/01/2025	GBP	£164,000	200,130	2.97
UK Treasury 0.13% 30/01/2026	GBP	£116,000	137,510	2.04
UK Treasury 4.13% 29/01/2027	GBP	£497,000	643,032	9.54
UK Treasury 0.50% 31/01/2029	GBP	£540,000	596,409	8.85
UK Treasury 0.88% 31/07/2033	GBP	£621,000	619,706	9.19
UK Treasury 0.63% 31/07/2035	GBP	£367,000	331,688	4.92
UK Treasury 1.75% 07/09/2037	GBP	£351,000	346,512	5.14
UK Treasury 3.75% 29/01/2038	GBP	£170,000	212,512	3.15
UK Treasury 3.50% 22/01/2045	GBP	£326,000	378,222	5.61
UK Treasury 0.88% 31/01/2046	GBP	£443,000	300,880	4.46
UK Treasury 4.25% 07/12/2049	GBP	£418,000	541,339	8.03
UK Treasury 1.25% 31/07/2051	GBP	£323,000	217,986	3.24
UK Treasury 1.50% 31/07/2053	GBP	£84,000	59,604	0.89
UK Treasury 4.00% 22/01/2060	GBP	£53,000	66,857	0.99
UK Treasury 2.50% 22/07/2065	GBP	£62,000	55,017	0.82
UK Treasury 3.50% 10/22/2025	GBP	£222,000	280,635	4.16
UK Treasury 0.38% 10/22/2026	GBP	£343,000	399,958	5.93
UK Treasury 1.25% 10/22/2041	GBP	£322,000	265,658	3.94
UK Treasury 4.75% 10/22/2043	GBP	£43,000	82,910	1.23
UK Treasury 3.75% 10/22/2053	GBP	£53,000	62,834	0.93
UK Treasury 0.50% 10/22/2061	GBP	£224,000	96,446	1.43
UK Treasury 4.00% 10/22/2063	GBP	£90,000	113,424	1.68
			6,273,660	**93.06**
Government Bonds total			**6,273,660**	**93.06**
Corporate Bond 0.00% (2.79%)				
Austria 0.00% (1.72%)				
United Kingdom 1.17% (1.07%)				
LCR Finance plc 4.50% 07/12/2028	GBP	£60,000	78,864	1.17
Corporate Bonds total			**78,864**	**1.17**
Supranationals 4.14% (2.71%)				
Asian Infrastructure Investment Bank (The) 4.38% 11/06/2026	GBP	£57,000	72,969	1.09
European Investment Bank 1.00% 21/09/2026	GBP	£80,000	94,391	1.40
International Bank for Reconstruction & Development 0.63% 14/07/2028	GBP	£80,000	88,935	1.32
International Finance Facility for Immunisation Co. 2.75% 07/06/2025	GBP	£18,000	22,303	0.33
			278,598	**4.14**
Supranationals total			**278,598**	**4.14**
Certificates of Deposit 0.91% (0.82%)				
Supranational 0.91% (0.82%)				
International Bank for Reconstruction and Development 0.88% 12/13/2024	GBP	50,000	61,365	0.91
			61,365	**0.91**
Certificates of Deposit total			**61,365**	**0.91**
Commercial Papers 1.20% (1.08%)				
Germany 0.36% (0.33%)				
Kreditanstalt fuer Wiederaufbau 1.20% 04/07/2025	GBP	20,000	24,245	0.36
			24,245	**0.36**
United States of America 0.84% (0.75%)				
Inter-American Development Bank 2.25% 12/15/2028	GBP	48,000	56,776	0.84
			56,776	**0.84**
Commercial Papers total			**81,021**	**1.20**
Total Value of Investments			6,773,508	100.48
Net other liabilities (2022: 0.49%)			(32,146)	(0.48)
Net assets attributable to shareholders			**6,741,362**	**100.00**

All holdings are ordinary shares or stock units and admitted to official stock exchange listings unless otherwise stated.

The comparative percentage figures in brackets are as at 31 December 2022.

Gilt and Income Fund

Notes to the Financial Statements

for the accounting period 1st January 2023 to 31st December 2023

1 ACCOUNTING POLICIES

The accounting policies for the Fund are the same as those disclosed in the Aggregated Financial Statements on page 78.

2 NET CAPITAL LOSSES

The net capital (losses) during the year comprise:

	2023 US$	2022 US$
Non-derivative securities	(17,059)	(2,660,848)
Transaction charges	(8,375)	(10,876)
Net capital (losses)	(25,434)	(2,671,724)

Losses from non-derivatives securities include realised losses of US$ 639,495 (2022: US$ 2,202,304) and change in unrealised gains of US$ 622,436 (2022: US$ 458,544 unrealised losses).

3 REVENUE

	2023 US$	2022 US$
Bank interest	1,135	396
Interest on debt securities	248,696	143,214
Total revenue	249,831	143,610

4 EXPENSES

	2023 US$	2022 US$
Payable to the Fund Manager, associates of the Manager and agents of either of them:		
Annual management charge	(83,221)	(105,851)
Directors' fees	(1,358)	(1,273)
Registration expenses	(670)	(672)
	(85,249)	(107,796)
Payable to the Fiduciary Custodian, associates of the Fiduciary Custodian and agents of either of them:		
Fiduciary Custodian's fees	(2,664)	(3,387)
Safe custody fees	(874)	(889)
Interest payable	(19)	(56)
	(3,557)	(4,332)
Other expenses:		
Audit fee	(4,907)	(3,624)
Publication charges	(1,964)	(1,557)
Regulatory and professional fees	(597)	(594)
	(7,468)	(5,775)
Total expenses	(96,274)	(117,903)

5 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	2023 US$	2022 US$
Interim	(68,344)	–
Final	(80,521)	(25,817)
	(148,865)	(25,817)
Revenue deducted on cancellation of shares	(5,362)	116
Revenue received on creation of shares	670	(6)
Distributions for the year	(153,557)	(25,707)

Details of the distribution per share are set out on page 37.

6 INVESTMENTS

Fair Value Hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

	2023 Assets US$	2022 Assets US$
Level 1: Quoted prices	6,552,258	6,476,956
Level 2: Observable market data	221,250	320,205
Level 3: Unobservable data	–	–
Total value	6,773,508	6,797,161

7 DEBTORS

	2023 US$	2022 US$
Accrued revenue	51,332	46,645
Prepaid expenses	416	369
Receivable from Fund Manager – Nominal shares	576,309	573,211
Total debtors	628,057	620,225

8 OTHER CREDITORS

	2023 US$	2022 US$
Accrued expenses	(9,008)	(6,146)
Amounts payable to the Fund Manager	(6,273)	(6,878)
Amounts payable for cancellation of shares	–	(35,973)
Total creditors	(15,281)	(48,997)

9 RELATED PARTY TRANSACTIONS

Monument International Fund Managers (IOM) Limited (Fund Manager) provides services to the company under the terms of a management agreement (page 79, note 10) and acts as principal in respect of all transactions of shares in the Fund.

The Fund manager owns the management shares of the company and has common directors with the company namely Jeffrey Boysie McPherson More, and Darren Mark Kelly who have waived their rights to directors fees. Directors fees are payable to each of the two non-executive directors of the company.

The total director fees expense for the year was US$ 1,358 (2022: US$ 1,273) with US$ 646 (2022: US$ 319) outstanding at year end.

Amounts paid to the Fund manager in respect of Fund administration and registrar services are disclosed in Note 4. A balance of US$ 6,141 (December 2022: US$ 6,806) in respect of the annual management charge, and US$ 132 (December 2022: US$ 72) in respect of registration expenses is due at the end of the accounting period and is included within amounts payable to the Fund Manager.

At the balance sheet date Preference Shareholders from within the Monument Re Group of which the Fund is a related party, hold 9,888,260 (2022: 10,270,112) Preference Shares in the Fund.

The aggregate monies received through creations and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Preference Shareholders. The amounts due from/to Monument International Fund Managers (IOM) Limited in respect of share transactions at the end of the accounting period are disclosed in Notes 7 and 8.

10 SHARES IN ISSUE RECONCILIATION

	Number of shares in issue at start of the year	Number of shares created	Number of shares cancelled	Number of shares in issue at end of the year
Participating Redeemable Preference Shares	18,337,069	410,707	(1,649,814)	17,097,962

11 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities at the balance sheet date. (2022: US$ Nil).

12 DIRECT TRANSACTION COSTS

No transaction costs on the purchase or sale of investments were incurred by the Fund during the year or prior year. The total purchases for the year amounted to US$ 5,682,531 (2022: US$ 14,028,972) and the total sales amounted to US$ 6,073,647 (2022: US$ 14,609,488).

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.10% (2022: 0.21%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

13 FINANCIAL INSTRUMENTS

The analysis and tables provided below refer to the narrative disclosure on derivatives and other financial instrument risks on page 79.

Currency exposures

All the net assets and liabilities of the Fund are denominated in UK Sterling which is the base currency of the Fund.

Currency risk sensitivity

As the base currency of the Fund is UK Sterling and dealing with the preference shareholders takes place in UK Sterling as well, there will be no material impact of exchange rate fluctuations on the net assets attributable to preference shareholders.

13 FINANCIAL INSTRUMENTS (continued)

Interest rate risk sensitivity

As at 31st December 2023 the Fund was exposed to interest rate risk through its investments in debt instruments. The percentage of the net assets held in these investments are disclosed in the Portfolio Statement of the Fund.

The sensitivity analysis was based on a change in one variable while holding all other variables constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated.

As at 31st December 2023 had market interest rates strengthened by 1% (2022: 5%), the net assets attributable to preference shareholders of the Fund would have decreased by US$ 632,085 (2022: US$ 3,316,860).

A weakening of the interest rate would have resulted in an equal and opposite effect on the financial statements, assuming that all other variables remained constant.

Interest rate risk profile of financial assets and financial liabilities

Fixed rate financial assets consist of Sterling denominated bonds of US$ 6,773,508 (2022: US$ 6,797,161). The Fund has non interest bearing assets of US$ 51,748 (2022: US$ 47,014).

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

The Fund's Preference Shares are financial liabilities that do not carry interest and there are no other material financial liabilities that carry interest.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value. The basis of valuation is disclosed in Note 1 (5) to the Aggregated Financial Statements.

14 DEBT SECURITY CREDIT ANALYSIS

		2023		2022
	US$	% of Net Assets	US$	% of Net Assets
Investment grade securities*	6,773,508	100.48	6,797,161	99.51
Total debt securities	6,773,508	100.48	6,797,161	99.51

* Credit rating designations BBB or above are considered investment grade whereas credit rating designations BB or lower are considered below investment grade.

North American Growth Fund

Fund Investment Report

Investment Policy
To invest primarily for capital growth in a portfolio of equities based in North America.

Types of Investment
Investments are made for capital growth, primarily in shares of leading companies, but may also be held indirectly through other types of permitted investment such as unit trusts, investment trusts, convertible securities, traded options, warrants, fixed interest securities and other media as circumstances warrant and as permitted by the Regulations.

It must be remembered that the price of shares and the income from them can go down as well as up.

Fund Performance
Over the 12 months to 31st December 2023, the Fund posted a total gross return of 31.5%, compared with a return of 26.3% from the S&P 500 Index in United States (US) Dollar terms.

Review
Despite some volatility, 2023 turned out to be a bumper year for many financial markets, and United States (US) equities were no exception. Indeed, US stocks outperformed many developed market counterparts due to the relatively large weighting in large cap technology stocks, which drove gains over much of the review period.

The asset class rose in January as signs of cooling inflation spurred anticipation that key central banks might soon end their monetary tightening cycles. In addition, risk assets benefited as lower natural gas prices and China's post Covid-19 reopening augured well for the global economy. However, March brought intense volatility as banking failures stoked fears of wider problems in the financial system. While US equities sold off, these moves were quickly reversed as swift action by financial authorities towards the end of the first quarter (Q1) allayed contagion concerns. Banking sector worries nevertheless lingered into the second quarter (Q2) – most notably following the failure of First Republic Bank in early May – but US equities remained underpinned by generally better than expected quarterly earnings (particularly from large cap technology names) and growing excitement about stocks connected to artificial intelligence (AI), which continued to support the asset class throughout period under review. A source of potential volatility was sidestepped as lawmakers struck an eleventh hour deal to extend the US debt ceiling in early June. At the same time, hopes grew that the Federal Reserve (Fed) might succeed in taming inflation without triggering a recession, as headline inflation continued to cool while economic data remained robust. The resulting surge in optimism helped US equities return to bull market territory in June, although risk appetite was tempered by rising geopolitical risks following a short-lived attempt at a military coup in Russia.

Sentiment improved further in July amid ongoing optimism around stocks connected with AI and a strong start to the Q2 earnings season, but stocks sold off in August as investors took profits after months of gains and as surging oil prices, some mixed earnings reports, rising bond yields and concerns about economic growth weighed on sentiment. Signs that China's economic recovery was faltering reduced expectations for global demand in some sectors, further weighing on equities. September brought additional cause for concern: fears of another potential government shutdown and an unprecedented strike by auto union workers. Over October, the asset class continued to be impacted by ongoing uncertainties surrounding economic data, oil prices and financial markets. However, some upbeat earnings and a more cautious Fed raised hopes that interest rates had peaked, giving a slight lift to equities. The end of the year saw a sea change in sentiment amid signs that inflation may have cooled enough to forestall more rate hikes and perhaps even spur cuts. Bullish investors speculated that the Fed was mindful that the full effects of its historically rapid hikes since March of 2022 had yet to be felt. They also found reassurance in tightening financial conditions – a narrative dubbed by market pundits as "bad news is good news". The upward momentum continued into December despite ongoing uncertainty about the path of rates and elevated geopolitical risks, including continuing conflicts in Gaza and Ukraine. Although Fed officials cautioned during and after their December meeting that inflation remained too high and further tightening may be needed, markets rallied sharply as investors focused instead on how many cuts might be made in 2024.

In terms of monetary policy, the Fed slowed the pace of its interest rate hikes early in 2023 and raised rates for the final time in July. This brought the total of rate hikes for the year to 100 basis points (bps), with the federal funds rate reaching a 22-year high of 5.5%. The Fed's communications in September cautioned that the fight against inflation was not over, bolstering the view that rates would stay "higher for longer". However, a subsequent sharp decrease in the rate of consumer spending announced by the US Commerce Department, softer growth data in employment and manufacturing, and dovish interpretations of comments by Fed Chair Jerome Powell and other central bank officials contributed to the optimistic outlook that rates would again be held steady at the mid December meeting. This later transpired, and the central bank shifted its tone at its December meeting, with Fed Chair Jerome Powell laying the groundwork for cuts in 2024.

At the sector level, the high growth technology and communication services sectors were the strongest performers due to the easing interest rate outlook. Consumer discretionary also materially outperformed the broader index amid optimism that an economic downturn would be avoided in 2024. At the other end, the defensive healthcare and consumer staples sectors fell moderately amid positive risk sentiment. Utilities and energy brought up the rear; the latter was hurt by falling oil prices, particularly in the fourth quarter (Q4).

The Fund's relative outperformance over the year was driven by both security selection and sector allocation effects. In terms of the former, our stock choices in healthcare, industrials and communication services added the most value, while those in materials and consumer discretionary detracted. Turning to sector allocation, the overweight in communication services and zero weight in utilities were beneficial, overcoming detraction from the overweights in industrials and energy. In a strong period for US stocks, the Fund's cash holding was a modest drag on performance.

North American Growth Fund

Fund Investment Report (continued)

Review (continued)

At the stock level, Broadcom, Inc. (Information Technology) which develops and sells semiconductor and infrastructure software products, was the top contributor. The shares rallied strongly in May in response to stellar Q1 results and an upbeat AI demand forecast from sector peer Nvidia, which boosted sentiment towards the chip sector. Broadcom later reported estimate-beating Q2 earnings and revenues (released 1 June) and guided for revenues to grow in the third quarter (Q3), with management referencing the firm's continued leadership in networking and "a measured ramp into large-scale AI networks". In December, shares strengthened to record highs after the company released positive Q4 results, including revenue and earnings that were marginally ahead of analysts' forecasts. Management cited the acquisition of cloud computing firm VMware as a key factor and provided an upbeat outlook for the company's performance going into its 2024 fiscal year. The stock was further boosted by broker upgrades over the review period.

Meta Platforms, Inc. (Communication Services) and Lam Research Corp. (Information Technology) were also top contributors, likewise aided by optimism about high-growth tech names and companies exposed to AI themes. Early in the 2023, Meta's stock price rose on positive Q4 2022 results, with revenues holding up better than many expected. The announcement of a $40-billion share buyback programme was also welcomed by investors. Shares later gained again in the wake of Q1 2023 results released towards the end of April, which showed an uptick in revenue, including advertising revenue, and daily users of Meta's platforms. Meta's stock was additionally supported over the review period by optimism about the firm's cost cutting programme. Lam Research is the predominant market innovator in leading edge equipment (which makes chips using advanced manufacturing processes) so also benefit from expectations of higher demand driven by growth in AI. Lam's shares were also lifted by estimate beating Q2 revenue and earnings, helped by improved margins and strong shipments in July. Management also issued stronger than anticipated Q3 guidance, due to AI related growth in chip demand. Positive earnings updates from sector peers Nvidia, Micron Technology and Qualcomm over the period were also supportive, as they stoked anticipation that the trough in the semiconductor cycle was ending.

At the other end, the underweight in semiconductor firm Nvidia Corp. (Information Technology) was a key detractor. Nvidia's shares rose early in the year despite a somewhat downbeat set of results for the firm's Q4 2023 (ending 29 January 2023), as investors were encouraged by the company's AI efforts. The firm was a beneficiary of the improving sentiment towards chipmakers and the greater focus on high growth tech stocks. Shares were additionally supported by strong results for Q1, Q2 and Q3 of Nvidia's 2024 fiscal year. We narrowed our underweight position during the review period.

We added several new positions in 2023, including Charles Schwab Corporation (Financials), Hess Corporation (Energy) and Agilent Technologies, Inc. (Healthcare), BioMarin Pharmaceutical, Inc. (Healthcare) and Becton Dickinson and Company (Healthcare).

Charles Schwab Corporation provides retail brokerage, financial advisory and banking services to clients both online and via branch offices. The company is also the largest provider of processing and custody services to independent financial advisors. Cash sorting (clients transferring their cash out of low interest rate accounts into higher yielding assets) appears to have stabilised recently and should be less of a headwind for the stock, providing an opportunity for the company to shrink its balance sheet and grow its net interest margins. Additionally, we are positive about Charles Schwab's acquisition of TD Ameritrade, which offers potential for cross-selling and cost synergies.

Hess Corporation occupies an attractive position in the oil exploration and production space. The stock has provided steady, rising shareholder returns over time and has compelling free cash flow growth characteristics, including over the long term due to its Guyana assets. The company has taken steps to deleverage its balance sheet in recent years, which now makes it a more attractive proposition. Lastly, investor appreciation for Hess's low shale exposure may grow as shale inventory and well productivity concerns increase.

Agilent Technologies, Inc. is a leading supplier of analytical instruments and consumable products used in research and quality assurance applications in the life sciences, chemical analysis and diagnostics industries. With a strong management team and leading positions in a number of its end markets, Agilent is well positioned to benefit from an expected increase in spending on healthcare research and development from the government and biopharmaceutical companies. Furthermore, the firm is somewhat differentiated from its peers given its exposure to analytical instruments used in drug production, an area that has proven resilient during economic downturns.

BioMarin Pharmaceuticals, Inc. is a leading orphan disease drug company that is well positioned to grow over the next few years thanks to three new product launches. The most important of these, valrox, is expected to see substantial demand as it offers haemophilia patients considerably better health outcomes than existing treatments. This, together with another new drug recently launched in the US and European Union, vosoritide, has the potential to double BioMarin's annual sales. There is also room for margins to rise meaningfully over time as the company's operating costs fall.

Becton Dickinson and Company is a global medical technology company that manufactures and sells a broad range of medical supplies, devices, laboratory equipment and diagnostic products. The firm has a proven track record of growing at least in line with global hospital volumes (4%–5%), and we are positive about the spinoff of its low growth diabetes business and the US Food and Drug Administration's approval of an updated version of its infusion pump, Alaris.

We exited State Street Corporation (Financials) and Aspen Technology, Inc. (Information technology). We took some profits in Broadcom Inc. Other trims included Abbott Laboratories (Healthcare), ConocoPhillips Company (Energy) and Intuitive Surgical, Inc. (Healthcare).

North American Growth Fund

Fund Investment Report (continued)

Outlook

We remain constructive on the outlook for US equities in 2024 as inflation has fallen to a much lower rate, while the labour market and consumer spending continue to hold up relatively well, increasing the likelihood of a "soft landing" for the economy. Financial conditions have tightened considerably in the last 24 months due to the Fed's aggressive two-pronged monetary regime, characterised by increasing interest rates and unwinding its vast accumulated balance sheet. Although the Fed is far from declaring victory over inflation, the fall in headline consumer price inflation and recent signs of a loosening in the labour market have provided some reassurance that monetary tightening is having an effect. This has allowed the Fed to pause its interest rate hiking cycle, although the terminal federal funds rate may remain elevated for longer than expected. Furthermore, persistent, entrenched inflation does still pose a risk, and there could be further downside should the economy enter a mild recession.

2023 was a strong year for financial markets, with inflation more than halving and growth remaining resilient, all while avoiding a much feared economic recession. While there is still risk of a recession in 2024, concerns of a severe downturn have tempered. Inflation in 2024 is expected to continue its downtrend on fading energy pressure and softening labour markets as monetary tightening starts weighing on the growth outlook. This backdrop enabled the Fed to message a pivot in its final policy meeting of 2023. After holding rates steady (as expected), policymakers said they are pencilling in easing monetary policy in 2024.

Earnings growth estimates for Q4 2023, which will be reported in early 2024, have shown some level of analyst pessimism being baked into stocks as the US economy continues to grapple with slowing growth and as some economic tailwinds are easing. Analysts have lowered expectations for Q4 earnings per share (EPS) growth by a higher margin than average, and negative EPS guidance is also running above historic averages, although the S&P 500 is still expected to eke out year-over-year (yoy) growth for the final quarter and the whole of 2023.

Looking ahead to 2024 earnings, the picture is becoming incrementally more positive; healthcare, technology and communication services companies are all expected to deliver the strongest yoy earnings growth. No sectors are forecast to generate declining earnings in 2024, although energy and real estate are slated to produce the weakest levels of yoy growth as lower energy prices and higher rates continue to put pressure on these sectors. Margins have started to recover as companies are seeing labour pressures and material inflation ease. On a yoy basis, the market is looking for a strong increase in earnings growth for 2024 as stocks face easier comparisons with 2023 and as the easing inflation picture is supported by a robust labour market and consumer spending.

North American Growth Fund
Comparative Tables
for the accounting period 1st January 2023 to 31st December 2023

	Preference Shares		
	2023	2022	2021
Change in net assets per share	US$	US$	US$
Opening net asset value per share	11.3427	14.5468	11.3162
Return before operating charges[1]	3.6467	(2.9456)	3.5065
Operating charges	(0.2830)	(0.2585)	(0.2759)
Return after operating charges	3.3637	(3.2041)	3.2306
Distributions on preference shares	–	–	–
Closing net asset value per share	14.7064	11.3427	14.5468
after direct transaction costs[1]	(0.0259)	(0.0012)	(0.0013)
Performance			
Return after charges	29.66%	(22.03)%	28.55%
Other information			
Closing net asset value (US$)	31,887,944	26,473,122	35,403,407
Closing number of shares	2,168,301	2,333,943	2,433,757
Operating charges	2.19%	2.11%	2.11%
Direct transaction costs (note 13)	–	0.01%	0.01%
Ongoing Charges Figure ("OCF")[2]	2.19%	2.11%	2.11%

Prices	2023	2022	2021	2020	2019
Highest offer share price (US$)	15.5600	15.3100	15.4400	11.9800	9.9140
Lowest bid share price (US$)	11.3400	10.6700	11.2200	6.5150	6.9980
Net distribution per share (US$)	–	–	–	–	–

Notes

[1] Return before operating charges is stated after direct transaction costs.

[2] The OCF takes into account the annual management charge and any expenses incurred, expressed as a percentage of the average daily net asset values over the year.

Please refer to the Direct transaction costs note on page 49, for more detail regarding the nature of transaction costs and how they arise for different types of investments.

Please remember that past performance is not a guide to future performance, and it might not be repeated. The value of investments and the revenue from them may go down as well as up and because of this, investors may not get back money invested and are not certain to make a profit on their investment.

Statement of Total Return

for the accounting period 1st January 2023 to 31st December 2023

	Notes	2023 US$	2022 US$
Income			
Net capital gains/ (losses)	2	7,978,623	(7,388,003)
Revenue	3	409,738	417,442
Expenses	4	(634,355)	(600,975)
Net expense before taxation		(224,617)	(183,533)
Taxation	5	(114,207)	(119,183)
Net expense after taxation		(338,824)	(302,716)
Total return before distributions		7,639,799	(7,690,719)
Distributions	6	15,563	5,163
Change in Net Assets Attributable to Preference Shareholders from investment activities		7,655,362	(7,685,556)

Balance Sheet

as at 31st December 2023

	Notes	2023 US$	2022 US$
Assets:			
Fixed assets:			
Investments	7	31,841,178	26,106,454
Current assets:			
Debtors	8	163,308	166,606
Cash and bank balances		120,652	408,156
Total assets		32,125,138	26,681,216
Liabilities:			
Creditors:			
Other creditors	9	(87,255)	(58,569)
Total liabilities		(87,255)	(58,569)
Equity:			
Nominal shares (note 14, page 82)		(149,939)	(149,525)
Total equity		(149,939)	(149,525)
Net Assets Attributable to Preference Shareholders		31,887,944	26,473,122

Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2023 to 31st December 2023

	2023 US$	2022 US$
Opening Net Assets Attributable to Preference Shareholders	26,473,122	35,403,407
Amounts receivable on issue of shares	381,173	468,050
Amounts payable on cancellation of shares	(2,621,713)	(1,712,779)
	(2,240,540)	(1,244,729)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	7,655,362	(7,685,556)
Closing Net Assets Attributable to Preference Shareholders	31,887,944	26,473,122

Distribution Table

There is no distribution for the accounting period 1st January 2023 to 31st December 2023, as expenses exceed revenue (December 2022: US$ Nil).

The notes on pages 48 to 50 form an integral part of the financial statements.

North American Growth Fund
Portfolio Statement
As at 31st December 2023

Investment	Currency	Holding	Market Value US$	% of Net Assets
Equities 99.85% (98.61%)				
Communication Services 13.97% (11.02%)				
Entertainment 1.88% (1.92%)				
Electronic Arts, Inc.	USD	2,775	379,259	1.19
Take-Two Interactive Software, Inc.	USD	1,361	220,373	0.69
			599,632	**1.88**
Interactive Media & Services 9.54% (6.40%)				
Alphabet, Inc. 'A'	USD	13,911	1,942,254	6.09
Meta Platforms, Inc. 'A'	USD	3,105	1,100,878	3.45
			3,043,132	**9.54**
Media 1.46% (1.49%)				
Comcast Corp. 'A'	USD	10,617	464,494	1.46
			464,494	**1.46**
Wireless Telecommunication Services 1.09% (1.21%)				
T-Mobile US, Inc.	USD	2,155	346,071	1.09
			346,071	**1.09**
Communication Services total			**4,453,329**	**13.97**
Consumer Discretionary 9.88% (10.31%)				
Automobiles 0.67% (0.80%)				
General Motors Co.	USD	5,937	213,673	0.67
			213,673	**0.67**
Broadline Retail 4.24% (0.00%)				
Amazon.com, Inc.	USD	8,842	1,351,500	4.24
			1,351,500	**4.24**
Hotels, Restaurants & Leisure 3.32% (3.56%)				
Hilton Worldwide Holdings, Inc.	USD	3,442	627,029	1.96
Starbucks Corp.	USD	4,512	432,520	1.36
			1,059,549	**3.32**
Internet & Direct Marketing Retail 0.00% (2.97%)				
Multiline Retail 0.00% (1.10%)				
Specialty Retail 1.40% (1.51%)				
TJX Cos., Inc. (The)	USD	4,724	445,095	1.40
			445,095	**1.40**
Textiles, Apparel & Luxury Goods 0.25% (0.37%)				
Under Armour, Inc. 'A'	USD	9,115	80,121	0.25
			80,121	**0.25**
Consumer Discretionary total			**3,149,938**	**9.88**
Consumer Staples 5.16% (5.83%)				
Beverages 3.07% (4.25%)				
Coca-Cola Co. (The)	USD	8,037	473,058	1.48
PepsiCo, Inc.	USD	2,991	507,722	1.59
			980,780	**3.07**
Consumer Staples Distribution & Retail 0.82% (0.00%)				
Target Corp.	USD	1,845	261,971	0.82
			261,971	**0.82**
Food Products 1.27% (1.58%)				
Kellanova.	USD	2,686	149,933	0.47
Lamb Weston Holdings, Inc.	USD	2,263	244,947	0.77
WK Kellogg Co.	USD	675	8,802	0.03
			403,682	**1.27**
Consumer Staples total			**1,646,433**	**5.16**
Energy 4.50% (5.82%)				
Energy Equipment & Services 1.02% (1.33%)				
Schlumberger NV	USD	6,243	324,574	1.02
			324,574	**1.02**
Oil, Gas & Consumable Fuels 3.48% (4.49%)				
ConocoPhillips	USD	2,924	340,851	1.07
Hess Corp.	USD	1,957	282,825	0.88
Valero Energy Corp.	USD	3,760	488,236	1.53
			1,111,912	**3.48**
Energy total			**1,436,486**	**4.50**
Financials 10.21% (8.94%)				
Capital Markets 5.78% (6.76%)				
BlackRock, Inc.	USD	241	195,670	0.61
Charles Schwab Corp. (The)	USD	6,125	423,115	1.33
Intercontinental Exchange, Inc.	USD	4,577	588,236	1.85
Morgan Stanley	USD	3,254	304,021	0.95
Northern Trust Corp.	USD	3,257	274,826	0.86
Virtu Financial, Inc. 'A'	USD	2,802	57,049	0.18
			1,842,917	**5.78**
Diversified Financial Services 0.00% (2.18%)				
Financial Services 4.43% (0.00%)				
Block, Inc. 'A'	USD	539	41,762	0.13
Mastercard, Inc. 'A'	USD	1,730	737,516	2.31
Voya Financial, Inc.	USD	8,711	634,596	1.99
			1,413,874	**4.43**
Financials total			3,256,791	10.21
Health Care 13.91% (15.47%)				
Biotechnology 2.01% (1.35%)				
BioMarin Pharmaceutical, Inc.	USD	1,665	160,956	0.51
Vertex Pharmaceuticals, Inc.	USD	1,172	478,281	1.50
			639,237	**2.01**
Health Care Equipment & Supplies 3.15% (4.46%)				
Abbott Laboratories	USD	2,506	276,637	0.87
Becton Dickinson & Co.	USD	813	197,990	0.62
Intuitive Surgical, Inc.	USD	702	237,402	0.74
Medtronic plc	USD	3,550	293,017	0.92
			1,005,046	**3.15**
Health Care Providers & Services 1.58% (2.23%)				
Centene Corp.	USD	6,794	504,998	1.58
			504,998	**1.58**
Life Sciences Tools & Services 1.76% (1.17%)				
Agilent Technologies, Inc.	USD	2,016	280,043	0.88
Thermo Fisher Scientific, Inc.	USD	527	280,179	0.88
			560,222	**1.76**
Pharmaceuticals 5.41% (6.26%)				
AstraZeneca plc, ADR	USD	1,984	133,365	0.42
Bristol-Myers Squibb Co.	USD	5,658	289,746	0.91
Eli Lilly & Co.	USD	1,838	1,074,329	3.37
Zoetis, Inc. 'A'	USD	1,160	228,822	0.71
			1,726,262	**5.41**
Health Care total			**4,435,765**	**13.91**
Industrials 10.81% (11.38%)				
Aerospace & Defense 2.63% (2.65%)				
Howmet Aerospace, Inc.	USD	9,722	527,418	1.65
Huntington Ingalls Industries, Inc.	USD	1,200	310,680	0.98
			838,098	**2.63**
Air Freight & Logistics 1.10% (1.58%)				
United Parcel Service, Inc. 'B'	USD	2,241	352,039	1.10
			352,039	**1.10**
Commercial Services & Supplies 1.83% (1.85%)				
Republic Services, Inc. 'A'	USD	3,546	584,735	1.83
			584,735	**1.83**
Electrical Equipment 1.27% (1.48%)				
Eaton Corp. plc	USD	1,683	404,846	1.27
			404,846	**1.27**
Ground Transportation 2.81% (0.00%)				
Uber Technologies, Inc.	USD	4,345	270,085	0.85
Union Pacific Corp.	USD	2,546	625,069	1.96
			895,154	**2.81**
Machinery 1.17% (1.25%)				
Ingersoll Rand, Inc.	USD	4,810	373,016	1.17
			373,016	**1.17**
Road & Rail 0.00% (2.57%)				
Industrials total			**3,447,888**	**10.81**

North American Growth Fund
Portfolio Statement (continued)
As at 31st December 2023

Investment	Currency	Holding	Market Value US$	% of Net Assets
Equities 99.85% (98.61%) (continued)				
Information Technology 28.31% (25.61%)				
Communications Equipment 0.92% (1.11%)				
Cisco Systems, Inc.	USD	5,797	291,705	0.92
			291,705	**0.92**
Electronic Equipment, Instruments & Components 1.72% (1.90%)				
TE Connectivity Ltd.	USD	2,562	360,755	1.13
Trimble, Inc.	USD	3,544	189,037	0.59
			549,792	**1.72**
IT Services 0.00% (2.55%)				
Semiconductors & Semiconductor Equipment 10.94% (7.57%)				
Advanced Micro Devices, Inc.	USD	2,029	300,819	0.94
Broadcom, Inc.	USD	810	906,706	2.84
Lam Research Corp.	USD	722	564,286	1.77
Microchip Technology, Inc.	USD	5,532	499,595	1.57
NVIDIA Corp.	USD	1,656	815,729	2.56
QUALCOMM, Inc.	USD	2,788	402,504	1.26
			3,489,639	**10.94**
Software 10.26% (8.85%)				
Adobe, Inc.	USD	1,072	639,309	2.00
BILL Holdings, Inc.	USD	1,103	91,108	0.29
Microsoft Corp.	USD	6,033	2,266,357	7.11
Salesforce, Inc.	USD	1,045	275,681	0.86
			3,272,455	**10.26**
Technology Hardware, Storage & Peripherals 4.47% (3.63%)				
Apple, Inc.	USD	7,390	1,424,423	4.47
			1,424,423	**4.47**
Information Technology total			**9,028,014**	**28.31**
Materials 1.63% (2.64%)				
Chemicals 1.63% (2.64%)				
Albemarle Corp.	USD	783	112,243	0.35
DuPont de Nemours, Inc.	USD	3,852	295,410	0.93
FMC Corp.	USD	1,781	111,562	0.35
			519,215	**1.63**
Materials total			**519,215**	**1.63**
Real Estate 1.47% (1.59%)				
Equity Real Estate Investment Trusts (REITs) 0.00% (1.59%)				
Industrial REITs 1.47% (0.00%)				
Prologis, Inc.	USD	3,482	467,319	1.47
			467,319	**1.47**
Real Estate total			**467,319**	**1.47**
Equities total			31,841,178	99.85
Total value of investments			31,841,178	99.85
Net other assets (2022: 1.39%)			46,766	0.15
Net assets attributable to shareholders			**31,887,944**	**100.00**

All holdings are ordinary shares or stock units and admitted to official stock exchange listings unless otherwise stated.

The comparative percentage figures in brackets are as at 31st December 2022.

North American Growth Fund
Notes to the Financial Statements
for the accounting period 1st January 2023 to 31st December 2023

1 ACCOUNTING POLICIES

The accounting policies for the Fund are the same as those disclosed in the Aggregated Financial Statements on page 78.

2 NET CAPITAL GAINS/(LOSSES)

The net capital gains/(losses) during the year comprise:

	2023 US$	2022 US$
Non-derivative securities	7,989,049	(7,376,836)
Other currency gains/(losses)	114	(18)
Transaction charges	(10,540)	(11,149)
Net capital gains/(losses)	7,978,623	(7,388,003)

Gains/(losses) from non-derivatives securities include realised gains of US$ 1,267,470 (2022: US$ 1,461,783) and change in unrealised gains of US$ 6,721,579 (2022: US$ 8,838,619 unrealised losses).

3 REVENUE

	2023 US$	2022 US$
Bank interest	10,630	3,805
Overseas dividends	399,108	413,637
Total revenue	409,738	417,442

4 EXPENSES

	2023 US$	2022 US$
Payable to the Fund Manager, associates of the Manager and agents of either of them:		
Annual management charge	(576,054)	(567,133)
Directors' fees	(4,452)	(4,187)
Registration expenses	(1,065)	(1,071)
	(581,571)	(572,391)
Payable to the Fiduciary Custodian, associates of the Fiduciary Custodian and agents of either of them:		
Fiduciary Custodian's fees	(11,817)	(11,634)
Safe custody fees	(2,497)	(2,486)
Interest payable	(377)	(147)
	(14,691)	(14,267)
Other expenses:		
Audit fee	(31,704)	(9,176)
Publication charges	(4,434)	(3,186)
Regulatory and professional fees	(1,955)	(1,955)
	(38,093)	(14,317)
Total expenses	(634,355)	(600,975)

5 TAXATION

	2023 US$	2022 US$
Analysis of charge in year:		
Overseas tax suffered	(114,207)	(119,183)
Total overseas taxation	(114,207)	(119,183)

6 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	2023 US$	2022 US$
Revenue deducted on cancellation of shares	16,363	8,725
Revenue received on creation of shares	(800)	(3,562)
Distributions for the year	15,563	5,163

Details of the distribution per share are set out on page 45.

7 INVESTMENTS

Fair Value Hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

	2023 Assets US$	2022 Assets US$
Level 1: Quoted prices	31,841,178	26,106,454
Level 2: Observable market data	–	–
Level 3: Unobservable data	–	–
Total value	31,841,178	26,106,454

8 DEBTORS

	2023 US$	2022 US$
Accrued revenue	11,129	15,857
Prepaid expenses	2,240	1,224
Receivable from Fund Manager – Nominal shares	149,939	149,525
Total debtors	163,308	166,606

9 OTHER CREDITORS

	2023 US$	2022 US$
Accrued expenses	(28,309)	(15,363)
Amounts payable to the Fund Manager	(47,502)	(42,518)
Amounts payable for cancellation of shares	(11,444)	(688)
Total creditors	(87,255)	(58,569)

10 RELATED PARTY TRANSACTIONS

Monument International Fund Managers (IOM) Limited (Fund Manager) provides services to the company under the terms of a management agreement (page 79, note 10) and acts as principal in respect of all transactions of shares in the Fund.

The Fund manager owns the management shares of the company and has common directors with the company namely Jeffrey Boysie McPherson More, and Darren Mark Kelly who have waived their rights to directors fees. Directors fees are payable to each of the two non-executive directors of the company.

The total director fees expense for the year was US$ 4,452 (2022: US$ 4,187) with US$ 881 (2022: US$ 1,237) outstanding at year end.

Amounts paid to the Fund manager in respect of Fund administration and registrar services are disclosed in Note 4. A balance of US$ 47,267 (December 2022: US$ 42,359) in respect of the annual management charge, and US$ 235 (December 2022: US$ 159) in respect of registration expenses is due at the end of the accounting period and is included within amounts payable to the Fund Manager.

At the balance sheet date Preference Shareholders from within the Monument Re Group of which the Fund is a related party, hold 871,973 (2022: 939,975) Preference Shares in the Fund.

The aggregate monies received through creations and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Preference Shareholders. The amounts due from/to Monument International Fund Managers (IOM) Limited in respect of share transactions at the end of the accounting period are disclosed in Notes 8 and 9.

11 SHARES IN ISSUE RECONCILIATION

	Number of shares in issue at start of the year	Number of shares created	Number of shares cancelled	Number of shares in issue at end of the year
Participating Redeemable Preference Shares	2,333,943	30,808	(196,450)	2,168,301

12 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities at the balance sheet date. (2022: US$ Nil).

13 DIRECT TRANSACTION COSTS

In the case of equity shares, broker commissions, transfer taxes and stamp duties are paid by the Fund on each transaction. Unlike equity shares, other types of investments (such as bonds, money market instruments, and derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread between buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of Funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the Fund Manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a Fund invests.
- As the Fund Manager's investment decisions are not predictable, transaction costs are also not predictable.

The direct transaction costs incurred during the year were as follows:

					Year to 31st December 2023	
	Principal	Commissions	Taxes	Total Cost	Commissions as a percentage of principal	Taxes as a percentage of principal
	US$	US$	US$	US$	%	%
Purchases						
Purchases (excluding in-specie and corporate action activity):						
Equity	1,680,627	238	–	1,680,865	0.01	–
	1,680,627	238	–	1,680,865		
Sales						
Sales (excluding in-specie and corporate action activity):						
Equity	3,935,648	(424)	(42)	3,935,182	(0.01)	(0.00)
	3,935,648	(424)	(42)	3,935,182		
Total		662	42			
Percentage of Fund average net assets		0.00%	0.00%			

The direct transaction costs incurred during the prior year were as follows:

					Year to 31st December 2022	
	Principal	Commissions	Taxes	Total Cost	Commissions as a percentage of principal	Taxes as a percentage of principal
	US$	US$	US$	US$	%	%
Purchases:						
Purchases (excluding in-specie and corporate action activity):						
Equity	4,408,507	743	–	4,409,250	0.02	–
	4,408,507	743	–	4,409,250		
Sales:						
Sales (excluding in-specie and corporate action activity):						
Equity	6,212,419	(794)	(91)	6,211,534	(0.01)	(0.00)
	6,212,419	(794)	(91)	6,211,534		
Total		1,537	91			
Percentage of Fund average net assets		0.01%	0.00%			

North American Growth Fund
Notes to the Financial Statements (continued)
for the accounting period 1st January 2023 to 31st December 2023

13 DIRECT TRANSACTION COSTS (continued)

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.05% (2022: 0.06%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

14 FINANCIAL INSTRUMENTS

The analysis and tables provided below refer to the narrative disclosure on derivatives and other financial instrument risks on page 79.

Currency exposures

A small proportion of the Net Assets of the Fund are denominated in currencies other than US Dollars, which is the base currency in which the Fund is managed.

This has the effect that the Balance Sheet and Statement of Total Return can be affected by currency movements.

Net foreign currency assets	Monetary exposure	Non-monetary exposure	Total
Currency 2023	US$	US$	US$
Canadian Dollar	43	–	43
UK Sterling	40	–	40
US Dollar	46,683	31,841,178	31,887,861
Currency 2022	US$	US$	US$
Canadian dollar	41	–	41
UK Sterling	125	–	125
US Dollar	366,502	26,106,454	26,472,956

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the Fund's financial assets and financial liabilities at 31st December 2023 and 31st December 2022 was:

Assets	2023 US$	2022 US$
Fixed rate financial assets	–	–
Floating rate financial assets	120,652	408,156
Financial assets not carrying interest	31,854,547	26,123,535
Liabilities	**2023** US$	**2022** US$
Fixed rate financial liabilities	–	–
Floating rate financial liabilities	–	–
Financial liabilities not carrying interest	(87,255)	(58,569)

There are no material amounts of non interest-bearing financial assets, other than equities, which do not have maturity dates.

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

The Fund's Preference Shares are financial liabilities that do not carry interest and there are no other material financial liabilities that carry interest.

Other price risk sensitivity

As at 31st December 2023 the Fund was exposed to other market price risk due to its investments in equities. The percentage of the net assets held in these investments are disclosed in the Portfolio Statement of the Fund. The sensitivity analysis assumes a change in the market price of equities and exchange traded funds while holding all other variables constant. In practice all other variables are unlikely to remain constant, and changes in some of the variables may be correlated.

As at 31st December 2023, had the fair value of equity securities increased/(decreased) by 5% (2022: 5%), with all other variables held constant, the net assets attributable to preference shareholders would have increased/(decreased) by US$ 1,592,059 (2022: US$ 1,305,323).

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value. The basis of valuation is disclosed in Note 1 (5) to the Aggregated Financial Statements.

Far East Fund

Fund Investment Report

Investment Policy

To invest primarily for capital growth from a portfolio of equities in the principal Far Eastern and Asian markets.

Types of Investment

Investments are made for capital growth, primarily in shares of leading companies, but also may be held indirectly through other types of permitted investment such as unit trusts, investment trusts, convertible securities, traded options, warrants, fixed interest securities and other media as circumstances warrant and as permitted by the Regulations. Investments may be held in any approved Far Eastern market.

Exposure to individual economies will generally reflect relative level of market capitalisation. Consequently, a relatively large proportion of the Fund may consist of investments in the Japanese market.

It must be remembered that the price of shares and the income from them can go down as well as up.

Fund Performance

Over the 12 months to 31st December 2023, the Fund produced a total gross return of 10.1% in United States (US) Dollar terms, compared with a total return of 11.8% for the MSCI AC Asia Pacific Index.

Review

Asian equities had a turbulent 12 months and the performance of various markets diverged. For much of the year, concerns over China's economic growth, property sector woes and geopolitical tensions triggered bouts of volatility. Sentiment was lifted towards the end of the period thanks to the growing belief that the United States (US) Federal Reserve would not raise interest rates any further, and indeed would soon begin cutting. The resulting decline in Treasury yields proved a further tailwind for equities, particularly in emerging Asia.

Japanese equities posted robust gains over 2023, aided by weakness in the Yen, which proved beneficial given the country's large export sector. The currency weakened as in contrast to its developed-market peers, the Bank of Japan retained its ultra-accommodative monetary policy stance. Japanese equities also received increasingly positive global attention due to efforts by regulators to address the persistently low valuations of certain companies. For instance, at the start of 2023, the Tokyo Stock Exchange highlighted the scale of the potential opportunity in Japanese stocks, suggesting that many firms could boost shareholder returns through better capital management. Investors were further encouraged as, during a visit to Tokyo, Warren Buffet revealed that Berkshire Hathaway had increased its holdings in Japan's five largest trading houses and was considering other potential deals. Meanwhile, economic data remained fairly resilient for much of the year, although some softening was apparent in the fourth quarter (Q4). The final months of the year saw Japanese equities retrace some of their earlier outperformance as the Yen strengthened against the US Dollar amid the aforementioned hopes of interest-rate cuts.

Chinese equities posted negative returns over the period, underperforming the region. In a volatile year for geopolitics, US President Biden's plans to restrict US corporate investment in Chinese tech firms and increase military presence in the South China Sea dampened sentiment. Beijing subsequently banned large Chinese companies from buying semiconductor chips from US firm Micron Technology, in a move seen as retaliation for recent US restrictions. However, there was optimism surrounding Beijing's support for the internet and gaming sectors. Later in the period, sentiment was boosted after officials pledged support for the real estate sector and promised to support consumption and address local government debt. The government also signalled support for large financial technology platforms, which led to hopes of a normalised regulatory environment. However, sentiment was later dampened by weak economic data and domestic property sector concerns.

Elsewhere, Taiwan's market was lifted by broad optimism for the technology sector after bellwether Taiwan Semiconductor Manufacturing Company released encouraging corporate results early in the period. In addition, hopes grew of a significant boost to foreign trade after China reopened its borders. Korea also outperformed thanks in part to constructive trends for chip manufacturers and producers of electric-vehicle batteries. Export data showed strength, and Bank of Korea officials highlighted the areas as among the economy's bright spots. India was another bright spot and finished ahead of the broader index as economic data continued to support the country's structural growth story. Gross Domestic Product (GDP) figures beat forecasts over the period, boosted by robust private consumption, rising exports and improvements in manufacturing. Indonesia's market generated a positive return over the year despite underperforming the benchmark. Investors remain optimistic about government support measures to aid exports, spur economic growth and attract long-term investment.

Gross of fees, the Fund underperformed the benchmark over the year. Relative performance was impacted as investors avoided high-growth stocks during the autumn, as bond yields rose amid concerns that US interest rates may remain higher for longer than previously anticipated. However, the Fund's relative performance recovered in Q4.

By sector, consumer discretionary, financials and communication services were the main detractors due to unfavourable stock selection. The underweight in industrials also proved unhelpful. Conversely, our stock choices in technology and industrials contributed to performance, alongside the overweight in technology.

On a country basis, our choices in China, India and Australia weighed on performance, alongside the overweight in Hong Kong and the underweight position in Taiwan. More positively, stock selection in Japan and Indonesia added value, as did overweight positioning in Japan.

China Tourism Group Duty Free Corp. Ltd. 'A' (China) was among the biggest detractors at the stock level. The share price was impacted by negative sentiment towards China's economic recovery and geopolitical concerns over the period.

The holdings in AIA Group Ltd. (Hong Kong) and Galaxy Entertainment Group Ltd. (Hong Kong) also hindered relative performance. Insurance group AIA underperformed on concerns that the decline in margins could continue due to changes in the company's product and channel mix. Resorts operator Galaxy Entertainment benefited from the reopening of Macau in January, alongside the expansion of the firm's non-gaming operations and service enhancements. However, the shares subsequently fell amid concerns over China's uneven post-Covid recovery.

Outperformers included Disco Corp. (Japan) and Tokyo Electron Ltd. (Japan). Disco makes precision tools for chipmakers and benefited from positive sentiment towards the sector, largely due to the prospect of increased demand for semiconductors driven by artificial intelligence (AI) technology. This also contributed to the outperformance of Tokyo Electron, which makes wafer fabrication equipment. Both stocks also benefited from wider optimism towards Japanese equities.

Fund Investment Report (continued)

Review (continued)

Another positive contributor was the holding in Socionext, Inc. (Japan), which provides integrated circuit solutions across a variety of industries. Shares outperformed after the firm posted solid earnings, driven by a robust increase in the number of customers in its auto division. We subsequently sold the stock as it hit our price target and we felt there were better opportunities elsewhere.

We initiated several new positions over the period, notably Lenovo Group Ltd. (Hong Kong), Sangetsu Corp. (Japan), Macnica Holdings, Inc. (Japan) and Baidu, Inc. 'A' (Cayman Islands).

Lenovo manufactures consumer electronics, such as laptops, tablets and desktop computers, and also has an infrastructure solutions group. We expect the latter to benefit from growing interest in AI, while its dual-brand strategy should enable the company to expand its presence in domestic and international markets. Lenovo's solid client base and competitive products should drive returns over the long term.

Macnica, an independent semiconductor trading company, offers an appealing long-term earnings profile based on the recovery in the semiconductor market and the company's healthy cash position, which could support future mergers and acquisitions activity. The company boasts a strong domestic business based on well-regarded technical capabilities and strengths in the fields of communications and industrial equipment. We are also optimistic on Macnica's plans to expand its service solution business by 2030, which we believe will be a key growth driver.

Sangetsu designs and sells interior and exterior decorating products in Japan and overseas. The company has a dominant market share (roughly 50%) in an industry where the top three players account for 80% of the market. This consolidated market dynamic should allow Sangetsu to maintain its price leadership. The current management team has put an emphasis on profitability and shareholder returns. The company has also raised its product prices multiple times and dramatically improved its capital management policy.

Leading Chinese internet firm Baidu is well positioned for a strong recovery in advertising revenues due to its exposure to performance-based ads as well as to offline categories. As the largest online search engine in China, Baidu is also set to benefit from AI development and the provision of enhanced services to customers. Moreover, margins should be supported by cost optimisation.

Aside from Socionext, sales included JD.com, Inc. 'A' (Cayman Islands) and Lion Corp. (Japan) as we felt there were better opportunities elsewhere. For JD.com, we felt the stock's higher valuation was not justified considering that macro headwinds are likely to cause a slowdown in the near term in the firm's core business. Samsung SDI Co. Ltd. (South Korea) was also sold, given our concerns about rising competition in the electric vehicle and battery segments. In addition, we profitably closed our position in Deterra Royalties Ltd. (Australia) following a period of good returns.

China's uneven economic growth, property sector woes and geopolitical tensions have been weighing on sentiment towards the region. However, we have noted improving policy visibility, especially regarding stimulus, reforms and regulation. That said, geopolitical tensions will remain a key risk to monitor.

Japan and north Asian economies stand to benefit from China's reopening. The semiconductor cycle is showing signs of bottoming out, while inventory destocking has peaked in memory devices and a milder downturn has taken place in logic devices, which should be a tailwind for South Korea, Taiwan and Japan.

Meanwhile, we can expect Japan's economic growth to be supported by the shift from deflation to inflation, corporate governance reforms and stronger domestic demand. In terms of corporate governance, Japan's Financial Services Agency, a key regulator, is expected to formulate an action plan for listed companies with low valuations and is calling for reforms to make improvements in this area.

Inflation, accompanied by rising wages, could be viewed as positive for a country that has long suffered from deflation and other economic challenges. Japan's loose fiscal policy is intended to address the rising cost of living caused by imported inflation. Meanwhile, BoJ Governor Kazuo Ueda has outlined his commitment to maintaining loose monetary policy for the time being, but we can expect a slow and incremental process of policy normalisation during 2024.

By contrast, the catalyst in the near term for other Asian markets will be rate cuts. Some central banks have started easing monetary policy already, but we expect the majority to take their lead from the Federal Reserve, and the market is predicting rate cuts in 2024.

Both Japanese and Asian stocks are attractive from a valuation perspective, trading significantly below long-term averages and cheap relative to global equities. In our portfolios, we are focusing on quality companies with strong market positions, preferring those with stable earnings, low leverage and pricing power, which should fare better in this environment.

Far East Fund
Comparative Tables
for the accounting period 1st January 2023 to 31st December 2023

	Preference Shares		
	2023 US$	2022 US$	2021 US$
Change in net assets per share			
Opening net asset value per share	3.8518	4.8875	4.9807
Return before operating charges[1]	0.3795	(0.928)	0.0321
Operating charges	(0.1060)	(0.1077)	(0.1253)
Return after operating charges	0.2735	(1.0357)	(0.0932)
Distributions on preference shares	–	–	–
Closing net asset value per share	4.1253	3.8518	4.8875
after direct transaction costs[1]	(0.0035)	(0.0052)	(0.0031)
Performance			
Return after charges	7.10%	(21.19)%	(1.87)%
Other information			
Closing net asset value (US$)	6,924,519	6,870,509	8,960,856
Closing number of shares	1,678,565	1,783,713	1,833,417
Operating charges	2.68%	2.67%	2.45%
Direct transaction costs (note 13)	0.09%	0.13%	0.06%
Ongoing Charges Figure ("OCF")[2]	2.68%	2.67%	2.45%

Prices	2023	2022	2021	2020	2019
Highest offer share price (US$)	4.4600	5.2590	5.7960	5.2650	4.2150
Lowest bid share price (US$)	3.6540	3.3050	4.7340	2.8390	3.1260
Net distribution per share (US$)	–	–	–	–	0.0032

Notes

[1] Return before operating charges is stated after direct transaction costs.

[2] The OCF takes into account the annual management charge and any expenses incurred, expressed as a percentage of the average daily net asset values over the year.

Please refer to the Direct transaction costs note on page 58, for more detail regarding the nature of transaction costs and how they arise for different types of investments.

Please remember that past performance is not a guide to future performance, and it might not be repeated. The value of investments and the revenue from them may go down as well as up and because of this, investors may not get back money invested and are not certain to make a profit on their investment.

Statement of Total Return

for the accounting period 1st January 2023 to 31st December 2023

	Notes	2023 US$	2022 US$
Income			
Net capital gains/(losses)	2	481,606	(1,879,607)
Revenue	3	167,741	172,189
Expenses	4	(158,103)	(161,283)
Net revenue before taxation		9,638	10,906
Taxation	5	(16,580)	(18,427)
Net expense after taxation		(6,942)	(7,521)
Total return before distributions		474,664	(1,887,128)
Distributions	6	185	265
Change in Net Assets Attributable to Preference Shareholders from investment activities		474,849	(1,886,863)

Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2023 to 31st December 2023

	2023 US$	2022 US$
Opening Net Assets Attributable to Preference Shareholders	6,870,509	8,960,856
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	24,683	1,640
Amounts payable on cancellation of shares	(445,522)	(205,124)
	(420,839)	(203,484)
Change in Net Assets Attributable to Preference Shareholders from investment activities	474,849	(1,886,863)
Closing Net Assets Attributable to Preference Shareholders	6,924,519	6,870,509

Balance Sheet

as at 31st December 2023

	Notes	2023 US$	2022 US$
Assets:			
Fixed assets:			
Investments	7	6,851,176	6,818,076
Current assets:			
Debtors	8	82,005	85,150
Cash and bank balances		91,748	62,866
Total assets		7,024,929	6,966,092
Liabilities:			
Creditors:			
Distribution payable		–	–
Bank overdrafts		(21)	–
Other creditors	9	(26,927)	(22,384)
Total liabilities		(26,948)	(22,384)
Equity:			
Nominal shares (note 14, page 82)		(73,462)	(73,199)
Total equity		(73,462)	(73,199)
Net Assets Attributable to Preference Shareholders		6,924,519	6,870,509

Distribution Table

There is no distribution for the accounting period 1st January 2023 to 31st December 2023, as expenses exceed revenue (December 2022: US$ Nil).

The notes on pages 57 to 59 form an integral part of the financial statements.

Far East Fund
Portfolio Statement
As at 31st December 2023

Investment	Currency	Holding	Market Value US$	% of Net Assets
Collective Investment Schemes 5.75% (4.93%)				
Threadneedle Financial Services Ltd.	USD	3,119	398,331	5.75
Collective Investment Schemes total			**398,331**	**5.75**
Equities 93.19% (94.31%)				
Australia 11.47% (10.13%)				
ANZ Group Holdings Ltd.	AUD	7,737	136,788	1.98
BHP Group Ltd.	AUD	5,233	179,965	2.60
CSL Ltd.	AUD	375	73,348	1.06
IGO Ltd.	AUD	3,024	18,674	0.27
Macquarie Group Ltd.	AUD	321	40,219	0.58
Mineral Resources Ltd.	AUD	681	32,528	0.47
Rio Tinto Ltd.	AUD	624	57,758	0.83
Santos Ltd.	AUD	18,836	97,681	1.41
Telstra Group Ltd.	AUD	10,849	29,315	0.42
Transurban Group	AUD	7,107	66,486	0.96
Treasury Wine Estates Ltd.	AUD	5,142	37,823	0.55
Worley Ltd.	AUD	1,977	23,554	0.34
			794,139	**11.47**
Cayman Islands 9.37% (12.40%)				
Alibaba Group Holding Ltd.	HKD	5,732	55,459	0.80
Baidu, Inc. 'A'	HKD	3,850	57,194	0.83
Chailease Holding Co. Ltd.	TWD	4,456	27,949	0.40
China Resources Land Ltd.	HKD	12,000	42,953	0.62
Meituan 'B'	HKD	1,226	12,859	0.19
NetEase, Inc.	HKD	3,100	55,818	0.81
Parade Technologies Ltd.	TWD	1,000	39,100	0.56
PDD Holdings, Inc., ADR	USD	316	46,088	0.67
Sands China Ltd.	HKD	8,800	25,695	0.37
Sea Ltd., ADR	USD	287	11,842	0.17
Shenzhou International Group Holdings Ltd.	HKD	3,700	38,073	0.55
Tencent Holdings Ltd.	HKD	4,700	176,478	2.55
Trip.com Group Ltd.	HKD	1,500	53,288	0.77
Wuxi Biologics Cayman, Inc.	HKD	1,500	5,686	0.08
			648,482	**9.37**
China 3.81% (4.21%)				
BYD Co. Ltd. 'H'	HKD	1,000	27,431	0.40
China Construction Bank Corp. 'H'	HKD	112,000	66,553	0.96
China Tourism Group Duty Free Corp. Ltd. 'A'	CNY	500	5,900	0.08
Fuyao Glass Industry Group Co. Ltd. 'A'	CNY	4,000	21,082	0.30
Inner Mongolia Yili Industrial Group Co. Ltd. 'A'	CNY	6,800	25,648	0.37
NARI Technology Co. Ltd. 'A'	CNY	13,860	43,600	0.63
Ping An Insurance Group Co. of China Ltd. 'H'	HKD	7,500	33,905	0.49
Shenzhen Inovance Technology Co. Ltd. 'A'	CNY	2,300	20,476	0.30
WuXi AppTec Co. Ltd. 'H'	HKD	1,900	19,332	0.28
			263,927	**3.81**
Hong Kong 4.60% (5.85%)				
AIA Group Ltd.	HKD	11,800	102,835	1.48
Galaxy Entertainment Group Ltd.	HKD	12,000	67,234	0.97
Hong Kong Exchanges & Clearing Ltd.	HKD	1,256	43,043	0.62
Lenovo Group Ltd.	HKD	44,000	61,533	0.89
Techtronic Industries Co. Ltd.	HKD	3,709	44,198	0.64
			318,843	**4.60**
India 3.76% (3.38%)				
HDFC Bank Ltd., ADR	USD	1,021	68,397	0.99
ICICI Bank Ltd., ADR	USD	2,631	62,539	0.90
Infosys Ltd., ADR	USD	2,997	55,085	0.80
Reliance Industries Ltd., GDR	USD	1,186	74,006	1.07
			260,027	**3.76**
Indonesia 1.92% (1.68%)				
Bank Central Asia Tbk. PT	IDR	89,200	54,313	0.79
Bank Rakyat Indonesia Persero Tbk. PT	IDR	211,513	78,302	1.13
			132,615	**1.92**

Investment	Currency	Holding	Market Value US$	% of Net Assets
Equities 93.19% (94.31%) (continued)				
Japan 37.15% (36.79%)				
Appier Group, Inc.	JPY	3,200	41,924	0.61
As One Corp.	JPY	900	35,743	0.52
Astellas Pharma, Inc.	JPY	2,800	33,446	0.48
BayCurrent Consulting, Inc.	JPY	1,100	38,576	0.56
Bridgestone Corp.	JPY	1,100	45,481	0.66
Chugai Pharmaceutical Co. Ltd.	JPY	700	26,465	0.38
CKD Corp.	JPY	1,800	32,354	0.47
Dai-ichi Life Holdings, Inc.	JPY	1,700	35,970	0.52
Daiichi Sankyo Co. Ltd.	JPY	2,700	73,945	1.07
Daiseki Co. Ltd.	JPY	1,100	30,469	0.44
Daiwabo Holdings Co. Ltd.	JPY	2,000	43,566	0.63
Disco Corp.	JPY	200	49,553	0.72
Ebara Corp.	JPY	800	47,246	0.68
Gunma Bank Ltd. (The)	JPY	6,300	30,758	0.44
Hitachi Ltd.	JPY	600	43,155	0.62
Hoya Corp.	JPY	400	49,823	0.72
Ibiden Co. Ltd.	JPY	600	33,256	0.48
ITOCHU Corp.	JPY	2,100	85,710	1.24
Keyence Corp.	JPY	400	175,883	2.54
Kokusai Electric Corp.	JPY	1,200	26,046	0.38
Komatsu Ltd.	JPY	2,000	52,206	0.75
LY Corp.	JPY	2,600	9,194	0.13
Mabuchi Motor Co. Ltd.	JPY	1,000	16,538	0.24
Macnica Holdings, Inc.	JPY	1,100	57,903	0.84
Marubeni Corp.	JPY	4,000	63,115	0.91
MatsukiyoCocokara & Co.	JPY	3,000	52,997	0.76
Mitsubishi UFJ Financial Group, Inc.	JPY	14,500	124,347	1.80
Mitsui & Co. Ltd.	JPY	1,900	71,240	1.03
Nippon Telegraph & Telephone Corp.	JPY	61,300	74,744	1.08
Nishi-Nippon Financial Holdings, Inc.	JPY	3,500	40,467	0.58
NSD Co. Ltd.	JPY	2,000	38,374	0.55
ORIX Corp.	JPY	4,200	78,947	1.14
PAL GROUP Holdings Co. Ltd.	JPY	2,300	40,036	0.58
Recruit Holdings Co. Ltd.	JPY	2,400	101,189	1.46
Renesas Electronics Corp.	JPY	3,800	68,504	0.99
Rohm Co. Ltd.	JPY	800	15,310	0.22
Sangetsu Corp.	JPY	2,800	61,370	0.89
Sanwa Holdings Corp.	JPY	2,800	42,344	0.61
Shin-Etsu Chemical Co. Ltd.	JPY	2,400	100,457	1.45
Shoei Co. Ltd.	JPY	1,000	13,037	0.19
Solasto Corp.	JPY	7,500	32,717	0.47
Sony Group Corp.	JPY	1,800	170,641	2.46
Square Enix Holdings Co. Ltd.	JPY	400	14,362	0.21
Sumitomo Metal Mining Co. Ltd.	JPY	400	12,027	0.17
Suntory Beverage & Food Ltd.	JPY	1,400	46,077	0.66
Tokio Marine Holdings, Inc.	JPY	2,900	72,407	1.05
Tokyo Electron Ltd.	JPY	400	71,500	1.03
Toyota Motor Corp.	JPY	2,800	51,351	0.74
			2,572,770	**37.15**
Jersey 0.00% (0.31%)				
Luxembourg 0.57% (0.00%)				
Samsonite International SA	HKD	12,000	39,572	0.57
			39,572	**0.57**
Malaysia 0.49% (0.70%)				
CIMB Group Holdings Bhd.	MYR	26,600	33,807	0.49
			33,807	**0.49**
Philippines 0.96% (0.63%)				
Ayala Land, Inc.	PHP	68,360	42,405	0.61
Metropolitan Bank & Trust Co.	PHP	26,107	24,186	0.35
			66,591	**0.96**
Singapore 2.78% (2.91%)				
DBS Group Holdings Ltd.	SGD	2,600	65,754	0.95
Keppel Corp. Ltd.	SGD	7,300	39,015	0.56
Sembcorp Industries Ltd.	SGD	9,500	38,098	0.55
United Overseas Bank Ltd.	SGD	2,300	49,606	0.72
			192,473	**2.78**

Far East Fund
Portfolio Statement (continued)
As at 31st December 2023

Investment	Currency	Holding	Market Value US$	% of Net Assets
Equities 93.19% (94.31%) (continued)				
South Korea 7.08% (6.37%)				
KB Financial Group, Inc.	KRW	539	22,599	0.32
Kia Corp.	KRW	339	26,296	0.38
KT Corp.	KRW	1,212	32,373	0.47
Samsung Biologics Co. Ltd.	KRW	68	40,074	0.58
Samsung Electronics Co. Ltd.	KRW	4,390	267,238	3.86
SK Hynix, Inc.	KRW	929	101,996	1.47
			490,576	**7.08**
Taiwan 8.42% (6.48%)				
Chroma ATE, Inc.	TWD	6,000	41,544	0.60
CTBC Financial Holding Co. Ltd.	TWD	22,000	20,287	0.29
Delta Electronics, Inc.	TWD	5,000	50,993	0.74
Taiwan Semiconductor Manufacturing Co. Ltd.	TWD	20,000	385,787	5.57
Unimicron Technology Corp.	TWD	8,000	45,877	0.66
Yageo Corp.	TWD	2,000	38,839	0.56
			583,327	**8.42**
Thailand 0.56% (1.53%)				
Thai Oil PCL	THB	24,683	38,689	0.56
			38,689	**0.56**
United States of America 0.25% (0.94%)				
Yum China Holdings, Inc.	HKD	400	17,007	0.25
			17,007	**0.25**
Equities total			**6,452,845**	**93.19**
Total value of investments			6,851,176	98.94
Net other assets (2022: 0.76%)			73,343	1.06
Net assets attributable to shareholders			**6,924,519**	**100.00**

All holdings are ordinary shares or stock units and admitted to official stock exchange listings unless otherwise stated.

The comparative percentage figures in brackets are as at 31st December 2022.

Far East Fund
Notes to the Financial Statements
for the accounting period 1st January 2023 to 31st December 2023

1 ACCOUNTING POLICIES

The accounting policies for the Fund are the same as those disclosed in the Aggregated Financial Statements on page 78.

2 NET CAPITAL GAINS/(LOSSES)

The net capital gain/(losses) during the year comprise:

	2023 US$	2022 US$
Other income	–	23
Non-derivative securities	510,863	(1,837,371)
Other currency losses	(1,996)	(8,088)
Forward currency derivative contracts	(86)	(293)
Transaction charges	(27,175)	(33,878)
Net capital gains/(losses)	481,606	(1,879,607)

Gains/(losses) from non-derivatives securities include realised gains of US$ 58,465 (2022: US$ 32,378) and change in unrealised gains of US$ 452,398 (2022: US$ 1,874,749 unrealised losses).

Forward currency derivative contracts include realised losses of US$ 86 (2022: US$ 293).

3 REVENUE

	2023 US$	2022 US$
Bank interest	3,417	480
Overseas dividends	164,324	171,709
Total revenue	167,741	172,189

4 EXPENSES

	2023 US$	2022 US$
Payable to the Fund Manager, associates of the Manager and agents of either of them:		
Annual management charge	(134,718)	(142,750)
Directors' fees	(1,132)	(1,099)
Registration expenses	(1,754)	(1,765)
	(137,604)	(145,614)
Payable to the Fiduciary Custodian, associates of the Fiduciary Custodian and agents of either of them:		
Fiduciary Custodian's fees	(2,763)	(2,928)
Safe custody fees	(5,231)	(5,258)
Interest payable	(762)	(479)
	(8,756)	(8,665)
Other expenses:		
Audit fee	(6,949)	(2,541)
Publication charges	(1,296)	(972)
Regulatory and professional fees	(3,498)	(3,491)
	(11,743)	(7,004)
Total expenses	(158,103)	(161,283)

5 TAXATION

	2023 US$	2022 US$
Analysis of charge in year:		
Overseas tax suffered	(16,580)	(18,427)
Total overseas taxation	(16,580)	(18,427)

6 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	2023 US$	2022 US$
Final	–	–
	–	–
Revenue deducted on cancellation of shares	166	267
Revenue received on creation of shares	19	(2)
Distributions for the year	185	265

Details of the distribution per share are set out on page 54.

7 INVESTMENTS

Fair Value Hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

	2023 Assets US$	2022 Assets US$
Level 1: Quoted prices	6,851,176	6,818,076
Level 2: Observable market data	–	–
Level 3: Unobservable data	–	–
Total value	6,851,176	6,818,076

8 DEBTORS

	2023 US$	2022 US$
Accrued revenue	7,728	11,291
Overseas tax recoverable	379	378
Prepaid expenses	436	282
Receivable from Fund Manager - Nominal shares	73,462	73,199
Total debtors	82,005	85,150

9 OTHER CREDITORS

	2023 US$	2022 US$
Accrued expenses	(15,270)	(11,339)
Amounts payable to the Fund Manager	(10,589)	(11,045)
Amounts payable for cancellation of shares	(1,068)	–
Total creditors	(26,927)	(22,384)

10 RELATED PARTY TRANSACTIONS

Monument International Fund Managers (IOM) Limited (Fund Manager) provides services to the company under the terms of a management agreement (page 79, note 10) and acts as principal in respect of all transactions of shares in the Fund.

The Fund Manager owns the management shares of the company and has common directors with the company namely Jeffrey Boysie McPherson More, and Darren Mark Kelly who have waived their rights to directors fees. Directors fees are payable to each of the two non-executive directors of the company.

The total director fees expense for the year was US$ 1,132 (2022: US$ 1,099) with US$ 344 (2022: US$ 341) outstanding at year end.

Amounts paid to the Fund Manager in respect of Fund administration and registrar services are disclosed in Note 4. A balance of US$ 10,104 (December 2022: US$ 10,754) in respect of the annual management charge, and US$ 485 (December 2022: US$ 291) in respect of registration expenses is due at the end of the accounting period and is included within amounts payable to the Fund Manager.

At the balance sheet date Preference Shareholders from within the Monument Re Group of which the Fund is a related party, hold 465,339 (2022: 525,350) Preference Shares in the Fund.

The aggregate monies received through creations and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Preference Shareholders. The amounts due from/to Monument International Fund Managers (IOM) Limited in respect of share transactions at the end of the accounting period are disclosed in Notes 8 and 9.

11 SHARES IN ISSUE RECONCILIATION

	Number of shares in issue at start of the year	Number of shares created	Number of shares cancelled	Number of shares in issue at end of the year
Participating Redeemable Preference Shares	1,783,713	6,420	(111,568)	1,678,565

12 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities at the balance sheet date (2022: US$ Nil).

13 DIRECT TRANSACTION COSTS

In the case of equity shares, broker commissions, transfer taxes and stamp duties are paid by the Fund on each transaction. Unlike equity shares, other types of investments (such as bonds, money market instruments, and derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread between buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the Fund Manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a Fund invests.
- As the Fund Manager's investment decisions are not predictable, transaction costs are also not predictable.

The direct transaction costs incurred during the year were as follows:

					Year to 31st December 2023	
	Principal US$	Commissions US$	Taxes US$	Total Cost US$	Commissions as a percentage of principal %	Taxes as a percentage of principal %
Purchases:						
Purchases (excluding in-specie and corporate action activity):						
Equity	2,930,197	1,289	1,109	2,932,595	0.04	0.04
	2,930,197	1,289	1,109	2,932,595		
Sales:						
Sales (excluding in-specie and corporate action activity):						
Equity	3,414,015	(1,569)	(2,089)	3,410,357	(0.05)	(0.06)
	3,414,015	(1,569)	(2,089)	3,410,357		
Total		2,858	3,198			
Percentage of Fund average net assets		0.04%	0.05%			

The direct transaction costs incurred during the prior year were as follows:

					Year to 31st December 2022	
	Principal US$	Commissions US$	Taxes US$	Total Cost US$	Commissions as a percentage of principal %	Taxes as a percentage of principal %
Purchases:						
Purchases (excluding in-specie and corporate action activity):						
Equity	3,994,869	2,243	1,326	3,998,438	0.06	0.03
Funds	28,135	–	–	28,135	–	–
	4,023,004	2,243	1,326	4,026,573		
Sales:						
Sales (excluding in-specie and corporate action activity):						
Equity	4,212,728	(2,134)	(3,540)	4,207,054	(0.05)	(0.08)
Funds	11,940	–	–	11,940	–	–
	4,224,668	(2,134)	(3,540)	4,218,994		
Total		4,377	4,866			
Percentage of Fund average net assets		0.06%	0.07%			

13 DIRECT TRANSACTION COSTS (continued)

Average portfolio dealing spread
As at the balance sheet date the average portfolio dealing spread was 0.20% (2022: 0.20%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

14 FINANCIAL INSTRUMENTS

The analysis and tables provided below refer to the narrative disclosure on derivatives and other financial instrument risks on page 79.

Currency exposures
A substantial proportion of the Net Assets of the Fund are denominated in currencies other than US Dollars, which is the base currency in which the Fund is managed. This has the effect that the Balance Sheet and Statement of Total Return can be significantly affected by currency movements.

Currency risk sensitivity
As at 31st December 2023 the Fund was exposed to currency risk through the assets and liabilities denominated in foreign currencies.

If the exchange rates at 31st December 2023 between US$ and all other currencies had strengthened by 5% (2022: 5%), with all other variables held constant, this would have decreased the net assets attributable to preference shareholders by US$ 307,523 (2022: US$ 311,137).

Net foreign currency assets	Monetary exposure	Non-monetary exposure	Total
Currency 2023	US$	US$	US$
Australian Dollar	1,058	794,139	795,197
Chinese Yuan	(21)	116,706	116,685
Euro	18	–	18
Hong Kong Dollar	721	1,046,146	1,046,867
Indonesian Rupiah	115	132,615	132,730
Japanese Yen	1,899	2,572,770	2,574,669
Malaysian Ringgit	5	33,807	33,812
New Zealand Dollar	2	–	2
Philippine Peso	–	66,591	66,591
Singapore Dollar	766	192,473	193,239
South Korean Won	2,584	490,577	493,161
Taiwan Dollar	1,923	650,377	652,300
Thai Baht	108	38,689	38,797
UK Sterling	6,402	–	6,402
US Dollar	57,762	716,288	774,050
Currency 2022	US$	US$	US$
Australian Dollar	1,741	717,487	719,228
Chinese Yuan	0	149,389	149,389
Euro	18	–	18
Hong Kong Dollar	11	1,349,008	1,349,019
Indonesian Rupiah	–	115,396	115,396
Japanese Yen	3,675	2,527,596	2,531,271
Malaysian Ringgit	5	48,333	48,338
New Zealand Dollar	3	–	3
Philippine Peso	–	43,390	43,390
Singapore Dollar	62	199,626	199,688
South Korean Won	5,799	437,649	443,448
Taiwan Dollar	1,720	538,872	540,592
Thai Baht	107	104,796	104,903
UK Sterling	(21,938)	–	(21,938)
US Dollar	61,230	586,534	647,764

Interest rate risk profile of financial assets and financial liabilities
The interest rate risk profile of the Fund's financial assets and financial liabilities at 31st December 2023 and 31st December 2022 was:

	2023	2022
Assets	US$	US$
Fixed rate financial assets	–	–
Floating rate financial assets	91,748	62,866
Financial assets not carrying interest	6,859,719	6,830,027
	2023	**2022**
Liabilities	US$	US$
Fixed rate financial liabilities	–	–
Floating rate financial liabilities	(21)	–
Financial liabilities not carrying interest	(26,927)	(22,384)

There are no material amounts of non interest-bearing financial assets, other than equities, which do not have maturity dates.

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

The Fund's Preference Shares are financial liabilities that do not carry interest and there are no other material financial liabilities that carry interest.

Other price risk sensitivity

As at 31st December 2023 the Fund was exposed to other market price risk due to its investments in equities. The percentage of the net assets held in these investments are disclosed in the Portfolio Statement of the Fund. The sensitivity analysis assumes a change in the market price of equities and exchange traded funds while holding all other variables constant. In practice all other variables are unlikely to remain constant, and changes in some of the variables may be correlated.

As at 31st December 2023, had the fair value of equity securities increased/(decreased) by 5% (2022: 5%), with all other variables held constant, the net assets attributable to preference shareholders would have increased/(decreased) by US$ 342,559 (2022: US$ 340,904).

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value. The basis of valuation is disclosed in Note 1 (5) to the Aggregated Financial Statements.

UK Capital Growth Fund

Fund Investment Report

Investment Policy

To invest primarily for capital growth from a portfolio of equities based in the United Kingdom.

Types of Investment

Investments are made for capital growth, primarily in shares of leading companies, but also may be made indirectly through other types of permitted investment such as unit trusts, investment trusts, convertible securities, traded options, warrants and also through fixed interest securities and other media as circumstances warrant and as permitted by the Regulations.

It must be remembered that the price of shares and the income from them, can go down as well as up.

Fund Performance

Over the 12 months to 31st December 2023 the Fund posted a total gross return of 13.1% compared with a return of 7.9% from FTSE All-Share Index in Sterling terms.

Review

United Kingdom (UK) stocks were volatile in 2023, although ultimately posted gains. At the start of the period, stock markets were boosted by falling inflation, which spurred hopes that key central banks might soon stop raising interest rates and thereby end their monetary tightening cycles. Equities were also buoyed by hopes of a brighter outlook for the global economy as natural gas prices tumbled in Europe and China's economy rebounded after Beijing lifted Covid restrictions.

Volatility spiked after the mini-banking crisis in March following the collapse of SVB Financial in the United States (US) amid fears that instability could spread through the global banking sector. Equities sold off sharply, with the FTSE All-Share particularly impacted due to its significant exposure to financials. The UK stock market was also negatively affected by weakness in its sizeable mining and energy sectors, as oil and industrial metal prices fell on concerns that the banking crisis might curb global growth and, therefore, demand for commodities. However, markets later rebounded as swift action by financial authorities allayed fears of contagion, and investors grew hopeful that interest rates might soon peak.

Over the summer, the outlook for the global economy deteriorated as China's recovery following the rollback of Covid restrictions appeared to be running out of steam. Meanwhile, expectations of a slower pace of monetary tightening that had been priced in during March melted away as the Federal Reserve, European Central Bank and Bank of England (BoE) continued to raise interest rates in the face of persistently high inflation and tight labour markets, fuelling expectations that interest rates might need to remain elevated. This was especially true in the UK, where inflation, as measured by the annual changes in the consumer price index (CPI) remained elevated compared to the US and the eurozone. Core inflation (which excludes volatile components such as food and energy prices) in the UK was even higher. The resulting expectations that UK interest rates might be kept higher for longer pushed up the Pound for much of the year, which was an additional headwind for the FTSE All-Share given its significant exposure to companies that earn substantial proportions of their revenues overseas.

Concerns about the UK's stubbornly high inflation receded in September following larger-than-expected falls in headline and core inflation in August. This stoked hopes that UK interest rates may have peaked. The resulting weakness in the Pound was a further tailwind for the FTSE All-Share. However, UK markets rejoined the global equity downturn in October amid renewed concerns that interest rates might stay higher for longer, and the events in Israel and Gaza compounded the general aversion to risk. Thereafter, UK stocks rebounded amid a global rally as concerns about a wider escalation of the conflict eased. Investors were also encouraged as inflation declined in the UK, cementing expectations that the BoE might not hike rates further; indeed, markets ultimately priced in interest rate cuts in 2024.

Meanwhile, economic data remained mixed. Economic growth in the UK was slightly positive in the first quarter (Q1) of 2023, confounding previous predictions that the country was heading towards a recession. However, growth was flat in Q2 and slightly negative in Q3. The BoE and the UK government's Office for Budget Responsibility both revised down their 2024 growth forecasts. The UK composite purchasing managers' index (PMI) edged below the threshold of 50 that separates expansion from contraction in August and remained in contractionary territory through October. Signs of optimism appeared late in the period when the flash PMI returned to expansionary territory in November and December on the back of improvement in the services sector. Consumer confidence also beat expectations in November and continued to improve in the final month of the year.

The Fund's relative outperformance was driven by positive stock selection, especially in consumer staples, materials and technology, although picks in financials detracted. Sector allocation was also beneficial in aggregate, led by the overweights in industrials and consumer discretionary, which easily outweighed detraction from the underweight in energy (where we started the year with zero exposure).

At the stock level, key contributors included Intermediate Capital Group PLC (Financials) and Associated British Foods PLC (Consumer staples).

Intermediate Capital posted strong results for the first half of its financial year in November. This included an increase in total assets under management (a key indicator of success in the industry) and management fee income, while performance fee income more than doubled year on year and profits rose more than forecasts. Intermediate Capital boasts a global reach, and its fund management business is expanding and has strong growth prospects.

Associated British Foods (ABF) reported strong full-year results in November, including an increase in pre-tax profit, double-digit revenue growth and strong sales across most of the firm's divisions, including at budget clothing retailer Primark. Management also announced a special dividend. We are positive about the launch of a click and collect service for Primark in England and Wales, which should help ABF benefit from the shift towards online shopping.

The lack of exposure to British American Tobacco PLC (Consumer staples) was also advantageous. Shares underperformed amid disappointing results for the 2022 financial year, announced in February, strength in the Pound (as the company has significant US operations) and worries about the potential for increased regulation to discourage sales of cigarettes and vapes. More recently, shares were also pressured as the firm wrote down the value of some of its US brands by approximately £25 billion.

Fund Investment Report (continued)

Review (continued)

On the other side, detractors included the zero weight in HSBC Holdings PLC (financials) and the underweight in Shell PLC (energy). HSBC has been a beneficiary of rising interest rates, which contributed to strong quarterly earnings releases during the period. Shell, a new position in September, outperformed on the back of strong oil prices.

The holding in St. James's Place PLC (financials) also weighed on relative returns. The wealth manager reported disappointing fund inflows for the first half of the financial year in a tough economic climate. In addition, shares fell sharply in October after news that the Financial Conduct Authority will require the firm to reduce (and potentially withdraw) exit fees, which would negatively impact its profitability and balance sheet. We subsequently sold the stock in November.

In addition to the aforementioned Shell, new positions in 2023 included AstraZeneca PLC (Healthcare), Standard Chartered PLC (Financials), Wheaton Precious Metals Corp. (Materials), WPP PLC (Communication services) and DCC PLC (Industrials).

Shell is a large integrated oil and gas business with leading positions in liquid natural gas and petrochemicals. The company's business model makes it resilient to today's high interest rates, sustainability pressures and the volatile commodity prices that continue to restrict new investments in fossil fuel assets for many of its smaller peers. With a new management team and a leading marketing capability, Shell is increasingly focused on decarbonising its existing business rather than ramping up investments in activities generating lower returns and where the firm has no track record. The company is an exemplar in energy transition, with a commitment to achieving its net-zero target by 2050. Despite the potential political risks, we feel that Shell is well positioned to mitigate the impact of any windfall energy taxes given the geographic mix of the firm's business and its commitment to work with governments during the energy transition.

AstraZeneca has an excellent sales and earnings growth profile, with pipeline opportunities in asthma treatments and lung, breast and ovarian cancer drugs. It also has the potential to improve its margins, earnings quality and cashflows.

Standard Chartered was attractively valued. The bank has significant liquidity, a robust capital position and a strong management team. The firm's management is committed to demonstrating the standalone value of the group, with a focus on cost controls and growing capital returns.

Wheaton Precious Metals is a precious metals streaming business that offers attractive exposure to both gold and silver. The business partners with mining companies to fund development projects in return for rights to the gold and silver produced from those assets. Wheaton has built a diversified portfolio of income streams and should see strong growth in the years ahead as partners increase production at their mines.

WPP is a quality advertising and marketing business that is well diversified by geography and client type, with a high (and improving) return on capital employed. We believe the shares were undervalued following a period of muted performance. We also feel that concerns about the negative impact of AI on the company are overblown. Although we expect agency revenues to decline, analysts have consistently underestimated the resilience of the sector, which could rebound more quickly than expected. The company also boasts high and consistent cash conversion, solid capital allocation and a respectable balance sheet.

DCC is a leading international sales, marketing and support services group. We viewed the firm as trading at an attractive valuation given its long-term returns, cash flow and balance sheet. The company's management is also optimistic about profit growth in the coming years.

As well as St. James's Place, sales included Reckitt Benckiser Group PLC (Consumer staples), Whitbread PLC (Consumer discretionary), Legal & General Group PLC (Financials), Melrose Industries PLC (Industrials), Smith & Nephew PLC (Healthcare), Rentokil Initial PLC (Industrials) and Schroders PLC (Financials).

UK equities are still trading at very attractive valuations relative to global peers. Consequently, the shares of UK-listed global firms remain deeply discounted compared to their overseas counterparts. This should continue to support inbound takeover bids and stoke interest from private equity firms.

The consumer environment in the UK now appears more benign than it has for a number of years. Inflation is slowing as input prices have fallen back to levels last seen before the pandemic. Wage inflation (a key area of concern for the BoE) appears to be easing, but still looks set to rise in line with, if not more than, CPI inflation. For many consumers, this will ease the pressure on household budgets experienced over the last 18 months. We feel that interest rates in the UK have likely peaked. Meanwhile, UK households are now much less indebted than at the start of the Covid pandemic, with higher aggregate savings. While we are mindful of the impact of a modest fall in housing prices, we still feel that much of the gloom overhanging the UK economy is overdone.

Overall, we will continue to focus on company fundamentals and use volatile markets to top up and buy favoured stocks to deliver solid risk adjusted returns.

UK Capital Growth Fund
Comparative Tables
for the accounting period 1st January 2023 to 31st December 2023

	Preference Shares		
	2023	2022	2021
Change in net assets per share	£	£	£
Opening net asset value per share	1.1304	1.2304	1.1364
Return before operating charges[1]	0.1472	(0.0635)	0.1303
Operating charges	(0.0267)	(0.0244)	(0.0257)
Return after operating charges	0.1205	(0.0879)	0.1046
Distributions on preference shares	(0.0106)	(0.0121)	(0.0106)
Closing net asset value per share	1.2403	1.1304	1.2304
after direct transaction costs[1]	(0.2510)	(0.0016)	(0.0011)
Performance			
Return after charges	10.66%	(7.14)%	9.20%
Other information			
Closing net asset value (£)	25,294,982	26,860,947	31,999,136
Closing number of shares	20,394,673	23,761,432	26,006,314
Operating charges	2.22%	2.12%	2.10%
Direct transaction costs (note 13)	0.21%	0.14%	0.09%
Ongoing Charges Figure ("OCF")[2]	2.22%	2.12%	2.10%

Prices	**2023**	**2022**	**2021**	**2020**	**2019**
Highest offer share price (£)	1.3310	1.3310	1.3430	1.3950	1.4170
Lowest bid share price (£)	1.1230	1.0150	1.1130	0.7990	1.0800
Net distribution per share (£)	0.0106	0.0121	0.0106	0.0068	0.0221

Notes

[1]Return before operating charges is stated after direct transaction costs.

[2]The OCF takes into account the annual management charge and any expenses incurred, expressed as a percentage of the average daily net asset values over the year.

Please refer to the Direct transaction costs note on page 67, for more detail regarding the nature of transaction costs and how they arise for different types of investments.

Please remember that past performance is not a guide to future performance, and it might not be repeated. The value of investments and the revenue from them may go down as well as up and because of this, investors may not get back money invested and are not certain to make a profit on their investment.

Statement of Total Return

for the accounting period 1st January 2023 to 31st December 2023

	Notes	2023 US$	2022 US$
Income			
Net capital gains/(losses)	2	3,105,027	(3,100,780)
Revenue	3	1,011,518	1,114,981
Expenses	4	(708,667)	(733,249)
Net revenue before taxation		302,851	381,732
Taxation	5	(14,948)	(7,272)
Net revenue after taxation		287,903	374,460
Total return before distributions		3,392,930	(2,726,320)
Distributions	6	(287,903)	(374,460)
Change in Net Assets Attributable to Preference Shareholders from investment activities		3,105,027	(3,100,780)

Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2023 to 31st December 2023

	2023 US$	2022 US$
Opening Net Assets Attributable to Preference Shareholders	32,311,838	43,342,509
Amounts receivable on issue of shares	1,122,096	1,925,834
Amounts payable on cancellation of shares	(6,174,428)	(5,175,523)
	(5,052,332)	(3,249,689)
Difference on currency conversion	1,881,510	(4,680,202)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	3,105,027	(3,100,780)
Closing Net Assets Attributable to Preference Shareholders	32,246,043	32,311,838

Balance Sheet

as at 31st December 2023

	Notes	2023 US$	2022 US$
Assets:			
Fixed assets:			
Investments	7	32,480,633	32,389,539
Current assets:			
Debtors	8	536,067	501,013
Cash and bank balances		46,733	288,588
Total assets		33,063,433	33,179,140
Liabilities:			
Creditors:			
Bank overdrafts		(28,719)	–
Distributions payable		(276,144)	(347,214)
Other creditors	9	(92,233)	(108,210)
Total liabilities		(397,096)	(455,424)
Equity:			
Nominal shares (note 14, page 82)		(420,294)	(411,878)
Total equity		(420,294)	(411,878)
Net Assets Attributable to Preference Shareholders		32,246,043	32,311,838

Distribution Table

for the accounting period 1st January 2023 to 31st December 2023

	Income £	Equalisation £	Distribution Payable 2023 £	Distribution Paid 2022 £
Group 1	0.0106	–	0.0106	0.0121
Group 2	0.0046	0.0060	0.0106	0.0121

Group 2 units are those purchased after 16:00 (UK time) on 31st December 2022.

The notes on pages 66 to 68 form an integral part of the financial statements.

UK Capital Growth Fund
Portfolio Statement
As at 31st December 2023

Investment	Currency	Holding	Market Value US$	% of Net Assets
Equities 100.73% (100.24%)				
Communication Services 5.15% (4.74%)				
Diversified Telecommunication Services 0.99% (0.99%)				
BT Group plc	GBP	202,921	319,086	0.99
			319,086	**0.99**
Media 4.16% (3.75%)				
Informa plc	GBP	91,408	905,880	2.81
WPP plc	GBP	45,447	435,793	1.35
			1,341,673	**4.16**
Communication Services total			**1,660,759**	**5.15**
Consumer Discretionary 12.62% (13.55%)				
Hotels, Restaurants & Leisure 7.31% (8.80%)				
Compass Group plc	GBP	43,081	1,178,576	3.66
Dalata Hotel Group plc	GBP	64,102	290,913	0.90
Hollywood Bowl Group plc	GBP	13,382	52,202	0.16
InterContinental Hotels Group plc	GBP	5,551	501,718	1.56
SSP Group plc	GBP	111,580	333,416	1.03
			2,356,825	**7.31**
Household Durables 2.24% (2.25%)				
Bellway plc	GBP	9,208	300,502	0.93
Berkeley Group Holdings plc	GBP	7,084	423,358	1.31
			723,860	**2.24**
Specialty Retail 1.72% (0.00%)				
Pets at Home Group plc	GBP	53,361	216,454	0.67
Watches of Switzerland Group plc	GBP	37,570	339,331	1.05
			555,785	**1.72**
Textiles, Apparel & Luxury Goods 1.35% (2.50%)				
Burberry Group plc	GBP	24,034	433,842	1.35
			433,842	**1.35**
Consumer Discretionary total			**4,070,312**	**12.62**
Consumer Staples 12.16% (21.31%)				
Beverages 2.24% (4.37%)				
Diageo plc	GBP	19840	722,340	2.24
			722,340	**2.24**
Consumer Staples Distribution & Retail 2.02% (0.00%)				
Tesco plc	GBP	176,042	651,711	2.02
			651,711	**2.02**
Food & Staples Retailing 0.00% (2.17%)				
Food Products 3.74% (4.41%)				
Associated British Foods plc	GBP	12,160	365,682	1.13
Cranswick plc	GBP	7,005	340,053	1.06
Tate & Lyle plc	GBP	59,662	501,216	1.55
			1,206,951	**3.74**
Household Products 0.00% (3.96%)				
Personal Care Products 4.16% (0.00%)				
Unilever plc	GBP	27,671	1,340,273	4.16
			1,340,273	**4.16**
Personal Products 0.00% (6.40%)				
Consumer Staples total			**3,921,275**	**12.16**
Energy 5.91% (0.00%)				
Oil, Gas & Consumable Fuels 5.91% (0.00%)				
Shell plc	GBP	58,218	1,906,988	5.91
			1,906,988	**5.91**
Energy total			**1,906,988**	**5.91**
Financials 12.90% (16.17%)				
Banks 2.13% (1.13%)				
Standard Chartered plc	GBP	80,677	685,167	2.13
			685,167	**2.13**
Capital Markets 8.75% (8.90%)				
Intermediate Capital Group plc		47,031	1,007,246	3.12
JTC plc		25,061	258,777	0.80
London Stock Exchange Group plc		13,158	1,555,604	4.83
			2,821,627	**8.75**
Insurance 2.02% (6.14%)				
Prudential plc	GBP	57,719	652,656	2.02
			652,656	**2.02**
Financials total			**4,159,450**	**12.90**

Investment	Currency	Holding	Market Value US$	% of Net Assets
Equities 100.73% (100.24%) (continued)				
Health Care 10.58% (7.26%)				
Health Care Equipment & Supplies 2.40% (3.79%)				
ConvaTec Group plc	GBP	248,595	773,892	2.40
			773,892	**2.40**
Pharmaceuticals 8.18% (3.47%)				
AstraZeneca plc	GBP	11,164	1,508,293	4.68
GSK plc	GBP	61,012	1,127,938	3.50
			2,636,231	**8.18**
Health Care total			**3,410,123**	**10.58**
Industrials 19.77% (17.43%)				
Airlines 0.00% (0.18%)				
Commercial Services & Supplies 0.00% (1.54%)				
Industrial Conglomerates 1.79% (1.42%)				
DCC plc	GBP	7,838	577,331	1.79
			577,331	**1.79**
Machinery 3.64% (3.12%)				
Rotork plc	GBP	105,170	433,853	1.35
Weir Group plc (The)	GBP	30,760	739,750	2.29
			1,173,603	**3.64**
Professional Services 8.57% (6.86%)				
Experian plc	GBP	25,910	1,057,292	3.28
RELX plc	GBP	43,030	1,705,431	5.29
			2,762,723	**8.57**
Trading Companies & Distributors 5.77% (4.31%)				
Ashtead Group plc	GBP	11,275	785,073	2.43
Ferguson plc	GBP	1,554	298,840	0.93
Howden Joinery Group plc	GBP	52,366	542,995	1.68
RS Group plc	GBP	22,544	235,546	0.73
			1,862,454	**5.77**
Industrials total			**6,376,111**	**19.77**
Information Technology 3.49% (3.18%)				
Electronic Equipment, Instruments & Components 0.75% (1.11%)				
Spectris plc	GBP	5,014	240,973	0.75
			240,973	**0.75**
Software 2.74% (2.07%)				
Sage Group plc (The)	GBP	59,081	883,086	2.74
			883,086	**2.74**
Information Technology total			**1,124,059**	**3.49**
Materials 12.00% (11.82%)				
Chemicals 1.84% (2.94%)				
Elementis plc	GBP	110,381	179,551	0.56
Johnson Matthey plc	GBP	19,172	414,877	1.28
			594,428	**1.84**
Construction Materials 3.51% (4.36%)				
Breedon Group plc	GBP	57,234	263,757	0.82
CRH plc	GBP	12,623	868,636	2.69
			1,132,393	**3.51**
Containers & Packaging 0.00% (1.44%)				
Metals & Mining 4.75% (3.08%)				
Rio Tinto plc	GBP	11,649	867,546	2.69
Wheaton Precious Metals Corp.	GBP	12,988	663,940	2.06
			1,531,486	**4.75**
Paper & Forest Products 1.90% (0.00%)				
Mondi plc	GBP	31,201	611,143	1.90
			611,143	**1.90**
Materials total			**3,869,450**	**12.00**
Real Estate 4.25% (2.74%)				
Equity Real Estate Investment Trusts (REITs) 0.00% (1.14%)				
Industrial REITs 1.54% (0.00%)				
Segro plc	GBP	43,885	495,893	1.54
			495,893	**1.54**
Office REITs 1.08% (0.00%)				
Derwent London plc	GBP	11,545	346,746	1.08
			346,746	**1.08**
Real Estate Management & Development 1.63% (1.60%)				
Grainger plc	GBP	156,226	526,571	1.63
			526,571	**1.63**
Real Estate total			**1,369,210**	**4.25**

UK Capital Growth Fund
Portfolio Statement (continued)
As at 31st December 2023

Investment	Currency	Holding	Market Value US$	% of Net Assets
Equities 100.73% (100.24%) (continued)				
Utilities 1.90% (2.04%)				
Electric Utilities 1.90% (2.04%)				
SSE plc	GBP	25,904	612,896	1.90
			612,896	**1.90**
Utilities total			**612,896**	**1.90**
Equities total			**32,480,633**	**100.73**
Total value of investments			32,480,633	100.73
Net other liabilities (2022: (0.24)%)			(234,590)	(0.73)
Net assets attributable to shareholders			**32,246,043**	**100.00**

All holdings are ordinary shares or stock units and admitted to official stock exchange listings unless otherwise stated.

The comparative percentage figures in brackets are as at 31st December 2022.

UK Capital Growth Fund
Notes to the Financial Statements
for the accounting period 1st January 2023 to 31st December 2023

1 ACCOUNTING POLICIES

The accounting policies for the Fund are the same as those disclosed in the Aggregated Financial Statements on page 78.

2 NET CAPITAL GAINS/(LOSSES)

The net capital gains/(losses) during the year comprise:

	2023 US$	2022 US$
Non-derivative securities	3,125,903	(3,085,021)
Other currency (losses)/gains	(790)	910
Transaction charges	(20,086)	(16,669)
Net capital gains/(losses)	3,105,027	(3,100,780)

Gains/(Losses) from non-derivatives securities include realised gains of US$ 1,155,020 (2022: US$ 840,561) and change in unrealised gains of US$ 1,970,883 (2022: US$ 3,925,582 unrealised losses).

3 REVENUE

	2023 US$	2022 US$
Bank interest	11,858	1,923
Overseas dividends	990,365	1,096,527
Scrip dividends	–	10,616
Unfranked Component of Real Estate Investment Income	9,295	5,915
Total revenue	1,011,518	1,114,981

4 EXPENSES

	2023 US$	2022 US$
Payable to the Fund Manager, associates of the Manager and agents of either of them:		
Annual management charge	(645,384)	(689,516)
Directors' fees	(5,572)	(4,800)
Registration expenses	(1,421)	(1,425)
	(652,377)	(695,741)
Payable to the Fiduciary Custodian, associates of the Fiduciary Custodian and agents of either of them:		
Fiduciary Custodian's fees	(13,240)	(14,144)
Safe custody fees	(3,050)	(3,020)
Interest payable	(97)	(304)
	(16,387)	(17,468)
Other expenses:		
Audit fee	(31,293)	(12,536)
Publication charges	(6,405)	(5,313)
Regulatory and professional fees	(2,205)	(2,191)
	(39,903)	(20,040)
Total expenses	(708,667)	(733,249)

5 TAXATION

	2023 US$	2022 US$
Analysis of charge in year:		
Overseas tax suffered	(14,948)	(7,272)
Total overseas taxation	(14,948)	(7,272)

6 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	2023 US$	2022 US$
Final	(269,368)	(356,742)
	(269,368)	(356,742)
Revenue deducted on cancellation of shares	(24,960)	(32,150)
Revenue received on creation of shares	6,425	14,432
Distributions for the year	(287,903)	(374,460)

Details of the distribution per share are set out on page 63.

7 INVESTMENTS

Fair Value Hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

	2023 Assets US$	2022 Assets US$
Level 1: Quoted prices	32,480,633	32,389,539
Level 2: Observable market data	–	–
Level 3: Unobservable data	–	–
Total value	32,480,633	32,389,539

8 DEBTORS

	2023 US$	2022 US$
Accrued revenue	93,796	86,898
Overseas tax recoverable	590	556
Prepaid expenses	2,771	1,681
Receivable from Fund Manager – Nominal shares	420,294	411,878
Sales awaiting settlement	18,616	–
Total debtors	536,067	501,013

9 OTHER CREDITORS

	2023 US$	2022 US$
Accrued expenses	(34,401)	(19,874)
Amounts payable to the Fund Manager	(47,965)	(51,165)
Amounts payable for cancellation of shares	(9,867)	(37,171)
Total creditors	(92,233)	(108,210)

10 RELATED PARTY TRANSACTIONS

Monument International Fund Managers (IOM) Limited (Fund Manager) provides services to the company under the terms of a management agreement (page 79, note 10) and acts as principal in respect of all transactions of shares in the Fund.

The Fund manager owns the management shares of the company and has common directors with the company namely Jeffrey Boysie McPherson More, and Darren Mark Kelly who have waived their rights to directors fees. Directors fees are payable to each of the two non-executive directors of the company.

The total director fees expense for the year was US$ 5,572 (2022: US$ 4,800) with US$ 1,686 (2022: US$ 1,520) outstanding at year end.

Amounts paid to the Fund manager in respect of Fund administration and registrar services are disclosed in Note 4. A balance of US$ 47,762 (December 2022: US$ 51,035) in respect of the annual management charge, and US$ 203 (December 2022: US$ 130) in respect of registration expenses is due at the end of the accounting period and is included within amounts payable to the Fund Manager.

At the balance sheet date Preference Shareholders from within the Monument Re Group of which the Fund is a related party, hold 15,684,213 (2022: 18,630,317) Preference Shares in the Fund.

The aggregate monies received through creations and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Preference Shareholders. The amounts due from/to Monument International Fund Managers (IOM) Limited in respect of share transactions at the end of the accounting period are disclosed in Notes 8 and 9.

11 SHARES IN ISSUE RECONCILIATION

	Number of shares in issue at start of the year	Number of shares created	Number of shares cancelled	Number of shares in issue at end of the year
Participating Redeemable Preference Shares	23,761,432	753,636	(4,120,395)	20,394,673

12 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities at the balance sheet date. (2022: US$ Nil).

13 DIRECT TRANSACTION COSTS

In the case of equity shares, broker commissions, transfer taxes and stamp duties are paid by the Fund on each transaction. Unlike equity shares, other types of investments (such as bonds, money market instruments, and derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread between buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the Fund Manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a Fund invests.
- As the Fund Manager's investment decisions are not predictable, transaction costs are also not predictable.

The direct transaction costs incurred during the year were as follows:

	Principal US$	Commissions US$	Taxes US$	Total Cost US$	Year to 31st December 2023 Commissions as a percentage of principal %	Taxes as a percentage of principal %
Purchases:						
Purchases (excluding in-specie and corporate action activity):						
Equity	11,718,129	5,733	55,520	11,779,382	0.05	0.47
	11,718,129	5,733	55,520	11,779,382		
Sales:						
Sales (excluding in-specie and corporate action activity):						
Equity	16,711,253	(6,846)	(332)	16,704,075	(0.04)	(0.00)
	16,711,253	(6,846)	(332)	16,704,075		
Total		12,579	55,852			
Percentage of Fund average net assets		0.04%	0.17%			

The direct transaction costs incurred during the prior were as follows:

	Principal US$	Commissions US$	Taxes US$	Total Cost US$	Year to 31st December 2022 Commissions as a percentage of principal %	Taxes as a percentage of principal %
Purchases:						
Purchases (excluding in-specie and corporate action activity):						
Equity	8,797,127	3,290	41,527	8,841,944	0.04	0.47
	8,797,127	3,290	41,527	8,841,944		
Sales:						
Sales (excluding in-specie and corporate action activity):						
Equity	12,202,384	(5,083)	(330)	12,196,971	(0.04)	(0.00)
	12,202,384	(5,083)	(330)	12,196,971		
Total		8,373	41,857			
Percentage of Fund average net assets		0.02%	0.12%			

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.37% (2022: 0.15%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

UK Capital Growth Fund

Notes to the Financial Statements (continued)

for the accounting period 1st January 2023 to 31st December 2023

14 FINANCIAL INSTRUMENTS

The analysis and tables provided below refer to the narrative disclosure on derivatives and other financial instrument risks on page 79.

Currency exposures

A small proportion of the Net Assets of the Fund are denominated in currencies other than Sterling, which is the base currency in which the Fund is managed.

Currency risk sensitivity

As the base currency of the Fund is UK Sterling and dealing with the preference shareholders takes place in UK Sterling as well, there will be no material impact of exchange rate fluctuations on the net assets attributable to preference shareholders.

Net foreign currency assets	Monetary exposure	Non-monetary exposure	Total
Currency 2023	US$	US$	US$
Euro	56,162	–	56,162
UK Sterling	(291,799)	32,480,633	32,188,834
US Dollar	1,047	–	1,047
Currency 2022	US$	US$	US$
Euro	24,049	–	24,049
UK Sterling	(102,013)	32,389,539	32,287,526
US Dollar	263	–	263

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the Fund's financial assets and financial liabilities at 31st December 2023 and 31st December 2022 was:

	2023	2022
Assets	US$	US$
Fixed rate financial assets	–	–
Floating rate financial assets	46,733	288,588
Financial assets not carrying interest	32,596,406	32,478,674

	2023	2022
Liabilities	US$	US$
Fixed rate financial liabilities	–	–
Floating rate financial liabilities	(28,719)	–
Financial liabilities not carrying interest	(368,377)	(455,424)

There are no material amounts of non interest-bearing financial assets, other than equities, which do not have maturity dates.

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

The Fund's Preference Shares are financial liabilities that do not carry interest and there are no other material financial liabilities that carry interest.

Other price risk sensitivity

As at 31st December 2023 the Fund was exposed to other market price risk due to its investments in equities. The percentage of the net assets held in these investments are disclosed in the Portfolio Statement of the Fund. The sensitivity analysis assumes a change in the market price of equities and exchange traded funds while holding all other variables constant. In practice all other variables are unlikely to remain constant, and changes in some of the variables may be correlated.

As at 31st December 2023, had the fair value of equity securities increased/(decreased) by 5% (2022: 5%), with all other variables held constant, the net assets attributable to preference shareholders would have increased/(decreased) by US$ 1,624,032 (2022: US$ 1,619,477).

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value. The basis of valuation is disclosed in Note 1 (5) to the Aggregated Financial Statements.

Europe Fund

Fund Investment Report

Investment Policy

To invest primarily for capital growth from a portfolio of European equities.

Types of Investment

Investments are made principally for prospects of capital growth in Continental European stocks, generally in shares of leading European companies, but also may be made indirectly through other types of permitted investment such as unit trusts, investment trusts, convertible securities, traded options, warrants, fixed interest securities and other media as circumstances warrant and as permitted by the Regulations.

It must be remembered that the price of shares and the income from them, can go down as well as up.

Fund Performance

Over the 12 months to 31st December 2023, the Fund posted a total gross return of 17.0% compared with a return of 18.4% from the FTSE World Europe ex UK Index in Euro terms.

Review

European equity markets posted positive returns in 2023.

The United States (US) Federal Reserve (Fed) and the European Central Bank (ECB) both raised interest rates several times in a bid to tame soaring inflation, which had climbed well above central bank targets. Monetary policy proved effective, and energy prices also receded from earlier highs; inflation duly eased.

Equities came under pressure at various points in the year, including following the collapse of Silicon Valley Bank and two smaller US lenders in March. Swiss regulators forced a takeover of Credit Suisse Group AG (Switzerland) by its rival UBS Group AG (Switzerland), and share prices later stabilised as contagion fears faded. In the third quarter (Q3), investor sentiment was hit by speculation that the surprising resilience of the US economy and a temporary rebound in energy prices might cause the Fed to keep interest rates at an elevated level for longer than previously anticipated.

Purchasing managers' indices (PMIs) showed that services and manufacturing were contracting in the Eurozone. This led some investors to question whether aggressive interest rate increases would tip the region into recession. China's slowing growth also affected many European exporters.

European equities rallied strongly in Q4 as hopes mounted that interest rate cuts would be implemented in 2024. The Fed and ECB both left interest rates unchanged during the quarter.

The Fed indicated an apparent pivot towards future interest rate cuts at its meeting in December, but the ECB remained cautious. Nevertheless, markets anticipated a more accommodative monetary policy outlook as inflation approached target levels and economic data remained weak.

Hungary, Poland, and Greece led the gains in 2023. Turkey and Finland were among the main laggards. Consumer staples was the best sector as investors gravitated to defensive stocks during periods of uncertainty and economic slowdown. Technology and industrials performed well as the prospect of interest rate cuts mounted. Consumer staples lagged as investors rotated away from this relatively defensive sector, and energy stocks were impacted by falling oil prices.

The portfolio underperformed its benchmark index over the year. Stock selection detracted in aggregate, but country allocation was beneficial, boosted by the zero weighting in Turkey. Sector positioning was unfavourable overall; the average underweighting in consumer discretionary was helpful but the average underweighting in financials was disadvantageous.

Top relative contributors included Novo Nordisk A/S (Denmark) and Safran S.A. (France). Novo Nordisk A/S is a dominant provider of diabetes and obesity treatment, with superior technology and scale advantages in insulin production. The market is growing due to a poor western diet and ageing populations. Recently, Novo Nordisk has been experiencing high demand for weight-loss drugs. Safran S.A. is a high-quality aerospace engines and equipment business, with attractive long-term growth prospects. The company released impressive financial results.

Detractors included Lonza Group AG (Switzerland) and Sanofi S.A. (France). Shares in Lonza Group AG (pharmaceuticals, biotechnology and nutrition) fell on news that the Chief Executive Officer was stepping down and the outlook had softened. Sanofi S.A. issued a profit warning and announced the planned spin-off of its consumer care unit; the pharmaceutical firm intends to increase its Research & Development expenditure to focus on drug research.

New holdings included TotalEnergies SE (France) and Iberdrola S.A. (Spain). TotalEnergies SE stood to benefit from higher oil and gas prices. The company is adopting an encouraging new focus on alternative energy, and this is where capital expenditure will be concentrated. Utilities company Iberdrola S.A. has good exposure to renewables and the stock was attractively valued.

Sales included Prosus N.V. (Netherlands) and Siemens AG (Germany) We sold Prosus N.V. following an earlier share price rally. Siemens AG was sold after parts of the group issued a profit warning.

The news over the past two years has been dominated by inflation and interest rate forecasting, as the long period of low inflation and low rates ended abruptly. As Covid restrictions reduced, demand picked up, the war in Ukraine intensified, supply chains came under pressure, and inflation rose sharply. While some drivers of this were temporary and supply chains have adjusted, inflation in the West has not yet returned to pre-Covid levels.

Fund Investment Report (continued)

Review (continued)

Central banks underestimated the inflation problem and had to raise interest rates at a faster-than-usual pace. Tighter monetary policy is now taking effect and inflation is falling, as are energy prices. European economic growth is weak with a backdrop of restrictive monetary policy: the manufacturing and services PMIs remain below 50 (the threshold for expansion), while faltering growth in China has also affected Europe's export-oriented economies.

After larger-than-expected falls in inflation, the interest rate environment in both Europe and the US now looks more benign. Investors hope that a recession can be avoided, although this is a delicate balancing act for central banks. Tensions between China and Taiwan are a concern, as are conflicts in the Middle East and Ukraine, and the possible repercussions for energy prices.

In European equities, there are reasons to remain optimistic. Company valuations have been reset due to higher interest rates and, over the longer term, share prices tend to follow earnings. As a result, good companies can continue to grow, and their lower valuations have created opportunities in the current climate. In managing this Fund, our focus is on stock selection, informed by economic and thematic views. We favour companies that have a competitive advantage and pricing power generated by brands, patented processes, regulatory barriers to entry and strong market positions.

Europe Fund
Comparative Tables
for the accounting period 1st January 2023 to 31st December 2023

	Preference Shares		
	2023	**2022**	**2021**
Change in net assets per share	**EUR**	**EUR**	**EUR**
Opening net asset value per share	6.4810	7.5128	6.0436
Return before operating charges[1]	1.0786	(0.8732)	1.6174
Operating charges	(0.1617)	(0.1454)	(0.1482)
Return after operating charges	0.9169	(1.0186)	1.4692
Distributions on preference shares	(0.0259)	(0.0132)	–
Closing net asset value per share	7.3720	6.4810	7.5128
after direct transaction costs[1]	(0.0146)	(0.0192)	(0.0089)
Performance			
Return after charges	14.15%	(13.56)%	24.31%
Other information			
Closing net asset value (EUR)	22,408,180	22,585,582	28,205,404
Closing number of shares	3,039,623	3,484,908	3,754,312
Operating charges	2.27%	2.19%	2.15%
Direct transaction costs (note 13)	0.20%	0.29%	0.13%
Ongoing Charges Figure ("OCF")[2]	2.27%	2.19%	2.15%

Prices	**2023**	**2022**	**2021**	**2020**	**2019**
Highest offer share price (EUR)	7.8910	8.0920	7.9750	6.5390	6.2530
Lowest bid share price (EUR)	6.6460	5.7120	5.9740	4.0370	4.4070
Net distribution per share (EUR)	0.0259	0.0132	–	–	–

Notes

[1] Return before operating charges is stated after direct transaction costs.

[2] The OCF takes into account the annual management charge and any expenses incurred, expressed as a percentage of the average daily net asset values over the year.

Please refer to the Direct transaction costs note on page 75, for more detail regarding the nature of transaction costs and how they arise for different types of investments.

Please remember that past performance is not a guide to future performance, and it might not be repeated. The value of investments and the revenue from them may go down as well as up and because of this, investors may not get back money invested and are not certain to make a profit on their investment.

Statement of Total Return

for the accounting period 1st January 2023 to 31st December 2023

	Notes	2023 US$	2022 US$
Income			
Net capital gains/(losses)	2	3,202,288	(4,013,010)
Revenue	3	824,755	771,435
Expenses	4	(532,485)	(525,625)
Net revenue before taxation		292,270	245,810
Taxation	5	(203,885)	(188,317)
Net revenue after taxation		88,385	57,493
Total return before distribution		3,290,673	(3,955,517)
Distributions	6	(88,385)	(57,493)
Change in Net Assets Attributable to Preference Shareholders from Investment Activities		3,202,288	(4,013,010)

Balance Sheet

as at 31st December 2023

	Notes	2023 US$	2022 US$
Assets:			
Fixed assets:			
Investments	7	24,808,297	24,081,438
Current assets:			
Debtors	8	110,500	99,737
Cash and bank balances		90,833	259,357
Total assets		25,009,630	24,440,532
Liabilities:			
Creditors:			
Distribution payable		(87,121)	(49,173)
Other creditors	9	(72,190)	(191,340)
Total liabilities		(159,311)	(240,513)
Equity:			
Nominal shares (note 14, page 82)		(97,123)	(96,010)
Total equity		(97,123)	(96,010)
Net Assets Attributable to Preference Shareholders		24,753,196	24,104,009

Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2023 to 31st December 2023

	2023 US$	2022 US$
Opening Net Assets Attributable to Preference Shareholders	24,104,009	32,075,184
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	412,431	89,554
Amounts payable on cancellation of shares	(3,806,548)	(1,994,031)
	(3,394,117)	(1,904,477)
Difference on currency conversion	841,016	(2,053,688)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	3,202,288	(4,013,010)
Closing Net Assets Attributable to Preference Shareholders	24,753,196	24,104,009

Distribution Table

for the accounting period 1st January 2023 to 31st December 2023

	Income €	Equalisation €	Distribution Payable 2023 €	Distribution Paid 2022 €
Group 1	0.0259	–	0.0259	0.0132
Group 2	–	0.0259	0.0259	0.0132

Group 2 units are those purchased after 16:00 (UK time) on 31st December 2022.

The notes on pages 74 to 76 form an integral part of the financial statements.

Europe Fund
Portfolio Statement
As at 31st December 2023

Investment	Currency	Holding	Market Value US$	% of Net Assets
Equities 100.22% (99.91%)				
Belgium 0.68% (1.21%)				
KBC Group NV	EUR	2,579	167,572	0.68
			167,572	**0.68**
Denmark 7.44% (6.08%)				
DSV A/S	DKK	2,173	381,737	1.54
Novo Nordisk A/S 'B'	DKK	14,099	1,458,506	5.90
			1,840,243	**7.44**
Finland 0.00% (2.25%)				
France 20.90% (28.51%)				
Air Liquide SA	EUR	3,205	625,235	2.53
AXA SA	EUR	12,474	406,148	1.64
BNP Paribas SA	EUR	3,373	233,545	0.94
Cie de Saint-Gobain SA	EUR	2,076	152,731	0.62
L'Oreal SA	EUR	341	170,243	0.69
LVMH Moet Hennessy Louis Vuitton SE	EUR	1,119	909,896	3.67
Pernod Ricard SA	EUR	773	136,666	0.55
Safran SA	EUR	4,289	757,297	3.06
Sanofi SA	EUR	8,311	823,880	3.33
Schneider Electric SE	EUR	1,394	280,320	1.13
TotalEnergies SE	EUR	9,950	677,941	2.74
			5,173,902	**20.90**
Germany 14.33% (20.53%)				
Allianz SE	EUR	2,618	700,002	2.83
Beiersdorf AG	EUR	827	123,603	0.50
Deutsche Telekom AG	EUR	32,692	783,115	3.16
Hannover Rueck SE	EUR	303	72,063	0.29
Mercedes-Benz Group AG	EUR	3,238	223,697	0.90
MTU Aero Engines AG	EUR	762	164,603	0.67
Muenchener Rueckversicherungs-Gesellschaft AG	EUR	1,811	752,596	3.04
SAP SE	EUR	4,723	728,121	2.94
			3,547,800	**14.33**
Ireland 5.00% (4.79%)				
CRH plc	USD	10,874	753,459	3.05
Ryanair Holdings plc, ADR	USD	3,622	483,175	1.95
			1,236,634	**5.00**
Italy 4.67% (1.08%)				
Enel SpA	EUR	88,195	656,447	2.65
Intesa Sanpaolo SpA	EUR	93,515	273,439	1.10
Moncler SpA	EUR	3,671	226,846	0.92
			1,156,732	**4.67**
Netherlands 18.74% (15.13%)				
Airbus SE	EUR	4,792	742,252	3.00
ASM International NV	EUR	1,286	669,164	2.70
ASML Holding NV	EUR	1,893	1,428,641	5.77
BE Semiconductor Industries NV	EUR	2,183	330,128	1.33
Davide Campari-Milano NV	EUR	7,322	82,743	0.33
Heineken Holding NV	EUR	4,635	392,196	1.59
Heineken NV	EUR	4,856	493,827	2.00
Koninklijke Ahold Delhaize NV	EUR	17,379	500,580	2.02
			4,639,531	**18.74**
Norway 1.92% (1.57%)				
DNB Bank ASA	NOK	22,363	474,314	1.92
			474,314	**1.92**
Spain 3.91% (1.88%)				
Amadeus IT Group SA	EUR	865	62,166	0.25
Iberdrola SA	EUR	47,541	625,730	2.53
Industria de Diseno Textil SA	EUR	6,415	280,406	1.13
			968,302	**3.91**
Sweden 1.23% (3.17%)				
Atlas Copco AB 'A'	SEK	9,687	166,915	0.67
Sandvik AB	SEK	6,383	138,138	0.56
			305,053	**1.23**
Switzerland 19.57% (12.49%)				
ABB Ltd.	CHF	3,167	140,241	0.57
Cie Financiere Richemont SA	CHF	4,576	629,869	2.54
Lonza Group AG	CHF	878	370,124	1.50
Nestle SA	CHF	12,033	1,394,235	5.63
Novartis AG	CHF	10,879	1,094,815	4.42
Roche Holding AG	CHF	3,835	1,113,159	4.50
Sika AG	CHF	316	102,762	0.41
			4,845,205	**19.57**

Investment	Currency	Holding	Market Value US$	% of Net Assets
Equities 100.22% (99.91%) (continued)				
United Kingdom 1.83% (1.22%)				
Shell plc	GBP	6,719	220,087	0.89
Unilever plc	EUR	4,802	232,922	0.94
			453,009	**1.83**
Equities total			**24,808,297**	**100.22**
Total value of investments			24,808,297	100.22
Net other liabilities (2022: 0.09% net other assets)			(55,101)	(0.22)
Net assets attributable to shareholders			**24,753,196**	**100.00**

All holdings are ordinary shares or stock units and admitted to official stock exchange listings unless otherwise stated.

The comparative percentage figures in brackets are as at 31st December 2022.

Europe Fund
Notes to the Financial Statements
for the accounting period 1st January 2023 to 31st December 2023

1 ACCOUNTING POLICIES

The accounting policies for the Fund are the same as those disclosed in the Aggregated Financial Statements on page 78.

2 NET CAPITAL GAINS/(LOSSES)

The net capital gains/(losses) during the year comprise:

	2023 US$	2022 US$
Non-derivative securities	3,215,853	(3,953,707)
Other currency gains/(losses)	10,731	(32,050)
Forward currency derivative contracts	(1)	–
Transaction charges	(24,295)	(27,253)
Net capital gains/(losses)	3,202,288	(4,013,010)

Gains/(losses) from non-derivatives securities include realised gains of US$ 2,039,496 (2022: US$ 1,964,889) and change in unrealised gains of US$ 1,176,357 (2022: US$ 5,918,596 unrealised losses).

3 REVENUE

	2023 US$	2022 US$
Bank interest	6,118	1,781
Overseas dividends	818,637	769,654
Total revenue	824,755	771,435

4 EXPENSES

	2023 US$	2022 US$
Payable to the Fund Manager, associates of the Manager and agents of either of them:		
Annual management charge	(478,715)	(491,312)
Directors' fees	(4,030)	(3,686)
Registration expenses	(1,303)	(1,273)
	(484,048)	(496,271)
Payable to the Fiduciary Custodian, associates of the Fiduciary Custodian and agents of either of them:		
Fiduciary Custodian's fees	(9,819)	(10,078)
Safe custody fees	(6,833)	(6,605)
Interest payable	(1,169)	(520)
	(17,821)	(17,203)
Other expenses:		
Audit fee	(25,034)	(7,756)
Publication charges	(3,909)	(2,766)
Regulatory and professional fees	(1,673)	(1,629)
	(30,616)	(12,151)
Total expenses	(532,485)	(525,625)

5 TAXATION

	2023 US$	2022 US$
Analysis of charge in year:		
Overseas tax suffered	(203,885)	(188,317)
Total overseas taxation	(203,885)	(188,317)

6 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	2023 US$	2022 US$
Final	(85,279)	(48,515)
	(85,279)	(48,515)
Revenue deducted on cancellation of shares	(6,129)	(9,358)
Revenue received on creation of shares	3,023	380
Distributions for the year	(88,385)	(57,493)

Details of the distribution per share are set out on page 72.

7 INVESTMENTS

Fair Value Hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

	2023 Assets US$	2022 Assets US$
Level 1: Quoted prices	24,808,297	24,081,438
Level 2: Observable market data	–	–
Level 3: Unobservable data	–	–
Total value	24,808,297	24,081,438

8 DEBTORS

	2023 US$	2022 US$
Receivable from Fund Manager - Nominal shares	97,123	96,010
Accrued revenue	8,809	–
Overseas tax recoverable	2,658	2,567
Prepaid expenses	1,910	1,160
Total debtors	110,500	99,737

9 OTHER CREDITORS

	2023 US$	2022 US$
Accrued expenses	(25,319)	(13,592)
Amounts payable to the Fund Manager	(37,078)	(38,298)
Amounts payable for cancellation of shares	(9,793)	–
Purchases awaiting settlement	–	(139,450)
Total creditors	(72,190)	(191,340)

10 RELATED PARTY TRANSACTIONS

Monument International Fund Managers (IOM) Limited (Fund Manager) provides services to the company under the terms of a management agreement (page 79, note 10) and acts as principal in respect of all transactions of shares in the Fund.

The Fund manager owns the management shares of the company and has common directors with the company namely Jeffrey Boysie McPherson More and Darren Mark Kelly who have waived their rights to directors fees. Directors fees are payable to each of the two non-executive directors of the company.

The total director fees expense for the year was US$ 4,030 (2022: US$ 3,686) with US$ 1,030 (2022: US$ 1,088) outstanding at year end.

Amounts paid to the Fund manager in respect of Fund administration and registrar services are disclosed in Note 4. A balance of US$ 36,826 (December 2022: US$ 38,160) in respect of the annual management charge, and US$ 252 (December 2022: US$ 138) in respect of registration expenses is due at the end of the accounting period and is included within amounts payable to the Fund Manager.

At the balance sheet date Preference Shareholders from within the Monument Re Group of which the Fund is a related party, hold 1,537,008 (2022: 1,909,877) Preference Shares in the Fund.

The aggregate monies received through creations and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Preference Shareholders. The amounts due from/to Monument International Fund Managers (IOM) Limited in respect of share transactions at the end of the accounting period are disclosed in Notes 8 and 9.

11 SHARES IN ISSUE RECONCILIATION

	Number of shares in issue at start of the year	Number of shares created	Number of shares cancelled	Number of shares in issue at end of the year
Participating Redeemable Preference Shares	3,484,908	54,686	(499,971)	3,039,623

12 CONTINGENT ASSETS AND LIABILITIESS

There were no contingent assets or liabilities at the balance sheet date. (2022: US$ Nil).

13 DIRECT TRANSACTION COSTS

In the case of equity shares, broker commissions, transfer taxes and stamp duties are paid by the Fund on each transaction. Unlike equity shares, other types of investments (such as bonds, money market instruments, and derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread between buying and selling prices of the underlying investments. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the Fund Manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the Fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a Fund invests.
- As the Fund Manager's investment decisions are not predictable, transaction costs are also not predictable.

The direct transaction costs incurred during the year were as follows:

					Year to 31st December 2023	
	Principal US$	**Commission** US$	**Taxes** US$	**Total Cost** US$	**Commission as a percentage of principal** %	**Taxes as a percentage of principal** %
Purchases:						
Purchases (excluding in-specie and corporate action activity):						
Equity	24,194,006	15,983	17,292	24,227,281	0.07	0.07
	24,194,006	15,983	17,292	24,227,281		
Sales:						
Sales (excluding in-specie and corporate action activity):						
Equity	27,575,064	(16,916)	(15)	27,558,133	(0.06)	(0.00)
	27,575,064	(16,916)	(15)	27,558,133		
Total		32,899	17,307			
Percentage of Fund average net assets		0.13%	0.07%			

The direct transaction costs incurred during the prior year were as follows:

					Year to 31st December 2022	
	Principal US$	**Commission** US$	**Taxes** US$	**Total Cost** US$	**Commission as a percentage of principal** %	**Taxes as a percentage of principal** %
Purchases:						
Purchases (excluding in-specie and corporate action activity):						
Equity	31,335,882	20,554	30,381	31,386,817	0.07	0.10
	31,335,882	20,554	30,381	31,386,817		
Sales:						
Sales (excluding in-specie and corporate action activity):						
Equity	33,161,324	(21,463)	(19)	33,139,842	(0.06)	(0.00)
	33,161,324	(21,463)	(19)	33,139,842		
Total		42,017	30,400			
Percentage of Fund average net assets		0.17%	0.12%			

Europe Fund
Notes to the Financial Statements (continued)
for the accounting period 1st January 2023 to 31st December 2023

13 DIRECT TRANSACTION COSTS (continued)

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.03% (2022: 0.06%). This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

14 FINANCIAL INSTRUMENTS

The analysis and tables provided below refer to the narrative disclosure on derivatives and other financial instrument risks on page 79.

Currency exposures

A proportion of the Net Assets of the Fund are denominated in currencies other than Euro, which is the base currency in which the Fund is managed and the currency in which dealing with the preference shareholders takes place. This has the effect that the Balance Sheet and Statement of Total Return can be affected by currency movements.

Currency risk sensitivity

As at 31st December 2023 the Fund was exposed to currency risk through the assets and liabilities denominated in foreign currencies other than Euros.

If the exchange rates at 31st December 2023 between Euros and all other currencies had strengthened by 5% (2022: 5%), with all other variables held constant, this would have decreased the net assets attributable to preference shareholders by US$ 449,715 (2022: US$ 286,806).

A weakening of the Euros compared to other currencies would have resulted in an equal and opposite effect on the financial statements, assuming that all other variables remained constant.

Net foreign currency assets	Monetary exposure	Non-monetary exposure	Total
Currency 2023	US$	US$	US$
Czech Koruna	27	–	27
Danish Krone	4,848	1,840,241	1,845,089
Euro	(127,867)	15,886,760	15,758,893
Hungarian Forint	12	–	12
Norwegian Krone	22	474,313	474,335
Swedish Krona	57	305,057	305,114
Swiss Franc	4	4,845,205	4,845,209
UK Sterling	58,730	220,087	278,817
US Dollar	9,066	1,236,634	1,245,700
Currency 2022	US$	US$	US$
Czech Koruna	25	–	25
Danish Krone	41	1,465,375	1,465,416
Euro	(95,558)	18,463,437	18,367,879
Hungarian Forint	11	–	11
Norwegian Krone	15	377,899	377,914
Swedish Krona	50	764,285	764,335
Swiss Franc	352	3,010,442	3,010,794
UK Sterling	117,628	–	117,628
US Dollar	7	–	7

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the Fund's financial assets and financial liabilities at 31st December 2023 and 31st December 2022 was:

Assets	2023 US$	2022 US$
Fixed rate financial assets	–	–
Floating rate financial assets	90,833	259,357
Financial assets not carrying interest	24,821,674	24,085,165
Liabilities	**2023** US$	**2022** US$
Fixed rate financial liabilities	–	–
Floating rate financial liabilities	–	–
Financial liabilities not carrying interest	(159,311)	(240,513)

There are no material amounts of non interest-bearing financial assets, other than equities, which do not have maturity dates.

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

The Fund's Preference Shares are financial liabilities that do not carry interest and there are no other material financial liabilities that carry interest.

Other price risk sensitivity

As at 31st December 2023 the Fund was exposed to other market price risk due to its investments in equities. The percentage of the net assets held in these investments are disclosed in the Portfolio Statement of the Fund. The sensitivity analysis assumes a change in the market price of equities and exchange traded funds while holding all other variables constant. In practice all other variables are unlikely to remain constant, and changes in some of the variables may be correlated.

As at 31st December 2023, had the fair value of equity securities increased/(decreased) by 5% (2022: 5%), with all other variables held constant, the net assets attributable to preference shareholders would have increased/(decreased) by US$ 1,240,415 (2022: US$ 1,204,072).

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value. The basis of valuation is disclosed in Note 1 (5) to the Aggregated Financial Statements.

Aggregated Financial Statements for Monument International Funds (IOM) Limited

Statement of Total Return

for the accounting period 1st January 2023 to 31st December 2023

	Notes	2023 US$	2022 US$
Income			
Net capital gains/(losses)	2	24,533,988	(35,430,619)
Revenue	3	3,649,668	3,402,181
Expenses	4	(3,225,362)	(3,297,639)
Net revenue before taxation		424,306	104,542
Taxation	5	(496,296)	(488,201)
Net expense after taxation		(71,990)	(383,659)
Total return before distributions		24,461,998	(35,814,278)
Distributions	6	(518,693)	(427,277)
Change in Net Assets Attributable to Preference Shareholders from investment activities		23,943,305	(36,241,555)

Statement of Change in Net Assets Attributable to Preference Shareholders

for the accounting period 1st January 2023 to 31st December 2023

	2023 US$	2022 US$
Opening Net Assets Attributable to Preference Shareholders	145,208,682	200,766,353
Movement due to sales and repurchases of shares:		
Amounts receivable on issue of shares	2,889,256	4,031,634
Amounts payable on cancellation of shares	(19,336,882)	(15,445,999)
	(16,447,626)	(11,414,365)
Difference on currency conversion	3,118,429	(7,902,606)
Change in Net Assets Attributable to Preference Shareholders from investment activities (see above)	23,943,305	(36,241,555)
Unclaimed distributions	–	855
Closing Net Assets Attributable to Preference Shareholders	155,822,790	145,208,682

Balance Sheet

as at 31st December 2023

	Notes	2023 US$	2022 US$
Assets:			
Fixed assets:			
Investments	7	155,389,060	144,034,452
Current assets:			
Debtors	8	2,426,467	2,506,886
Cash and bank balances		1,087,971	1,900,137
Total assets		158,903,498	148,441,475
Liabilities:			
Creditors:			
Bank overdrafts		(28,740)	–
Distribution payable		(454,136)	(423,200)
Other creditors	9	(439,327)	(668,104)
Total liabilities		(922,203)	(1,091,304)
Equity:			
Management shares	14	(10)	(10)
Nominal shares (note 14, page 81)		(2,158,495)	(2,141,479)
Total equity		(2,158,505)	(2,141,489)
Net Assets Attributable to Preference Shareholders		155,822,790	145,208,682

The Aggregated Financial Statements represent the sum of the individual sub-Funds within the Umbrella Company. Further analysis of the Distribution and the Net Asset position can be found within the Financial Statements of the individual sub-Funds.

The notes on pages 78 to 82 form an integral part of the financial statements.

The Annual Reports and Accounts were approved and authorised for issue by the Board of Directors of Monument International Funds (IOM) Limited and signed on its behalf by:

Director

18 March 2024

Director

18 March 2024

Notes to the Aggregated Financial Statements for Monument International Funds (IOM) Limited

Notes to the Financial Statements

for the accounting period 1st January 2023 to 31st December 2023

GENERAL INFORMATION

Monument International Funds (IOM) Limited is an Open-Ended Investment Company with variable capital, incorporated as a limited liability company (Company No. 024161C) and resident in the Isle of Man. The address of the registered office is St George's Court, Upper Church Street, Douglas, Isle of Man IM1 1EE.

1 ACCOUNTING POLICIES

(1) Basis of accounting
The Aggregated Financial Statements have been prepared on a going concern basis, under the historical cost basis, except for investments that have been measured at fair value, and in accordance with the Statement of Recommended Practice for UK Authorised Funds ("SORP") issued by The Investment Management Association ("the IMA"), and in accordance with United Kingdom Accounting Standards comprising Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"). The financial statements have also been prepared in accordance with the Authorised Collective Schemes Regulations 2010 ("Regulations") and the Isle of Man Companies Acts 1931 to 2004. The Company has taken advantage of the exemption under FRS102 paragraph 7.1(a) from preparing a statement of cash flows, on the basis that it is an open-ended investment fund that meets the following criteria:

– substantially all of the Company's investments are highly liquid;

– substantially all of the Company's investments are carried at market value; and

– the Company provides a Statement of Change in Net Assets Attributable to Preference Shareholders.

Cash and bank balances
Cash and bank balances includes cash in hand, deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown in current liabilities in the statement of financial position. United States Dollar (US$) time deposits greater than 3 months at 31st December 2023 was US$ 137,420 (31st December 2022: US$ 186,650).

(2) Aggregation
The Aggregated Financial Statements represent the sum of the Company's individual sub-Funds. Further analysis of the Distribution and the Net Asset position can be found within the Financial Statements of the individual sub-Funds.

(3) Recognition of revenue
Dividends on quoted equities and preference shares are recognised when the security is traded ex-dividend and together with interest and other revenue receivable are stated gross of withholding taxes.

Special dividends are treated as a repayment of capital, unless there is sufficient evidence that they should be treated as revenue.

Stock dividends are recognised as revenue on the basis of the market value of the shares at the date they are first quoted ex-dividend. Interest on debt securities and bank and short-term deposits is recognised on the effective interest rate basis.

Interest included in the value of purchases and sales of fixed and floating rate securities is treated as revenue. In the case of debt securities purchased at a significant premium or discount to the maturity value, the discount is amortised over the life of the security and accounted for as interest on debt securities.

Net capital gains and losses are not included in the amount of net revenue/(expenses) available for distribution in each sub-Fund.

(4) Expenses (including management expenses)
All expenses other than those relating to the purchase and sale of investments, which are charged against capital, are recognised on an accruals basis and are charged against revenue. The allocation of other expenses to each sub-Fund is based on the proportion of the Company's net assets attributable to each sub-Fund on the day the expense is charged.

(5) Valuation of Investments
The investments of the Company are valued at fair value (usually bid value) at 16:00 (UK time), being the valuation point on the last working day of the accounting period.

(6) Exchange Rates
The functional currency is the currency of the primary economic environment in which the sub Funds operate. The Gilt and Income Fund, UK Capital Growth Fund and Europe Fund sub Funds have functional currencies of GBP and Euro respectively and a presentation currency of US$. These three sub Funds are different as they predominantly invest in assets and issue shares in Sterling and Euro respectively. The assets and liabilities in each sub-Fund expressed in foreign currencies at the end of the accounting period are translated into each sub-Fund's functional currency at the exchange rates ruling at 16:00 (UK time), on that date. Revenue items denominated in foreign currency are translated into each sub-Fund's functional currency at the exchange rates ruling at the date of transaction.

The presentation currency of the Company is US Dollars. The assets, liabilities and revenue items including the distributions of each sub-Fund are translated into US Dollars at the exchange rate ruling at 16:00 (UK time), at the end of each accounting period.

Foreign exchange translation adjustments arising from the translation of the sub-Funds into the Company's presentation currency are included within the Statement of Change in Net Assets Attributable to Preference Shareholders.

(7) Taxation
The taxation charge represents withholding taxes and capital gains tax deducted at source. The Company is taxed at 0% on its profits in the Isle of Man. Any capital gains realised may be subject to tax in the countries of origin. All liabilities in respect of taxes payable on realised gains are provided for as soon as there is a reasonable certainty that a liability will crystallise.

(8) Equalisation
Equalisation is that proportion of the total distribution payment which represents a return of capital.

The payment represents the average amount of revenue accrued in the price of shares at the dates of purchase, and reflects the fact that the purchase price included an element of net revenue accrued awaiting distribution.

Equalisation can only occur on the first distribution following a purchase of shares. The amount is not liable to UK Income Tax and should be deducted from the cost of the shares for Capital Gains Tax purposes.

(9) Distributions
The net revenue available for distribution for each sub-Fund at the end of each distribution period will be paid as a dividend distribution. Should the expenses of a sub-Fund (including taxation) exceed its revenue, there will be no distribution and the shortfall will be met by the capital account of the sub-Fund.

(10) Financial instruments
Where appropriate, certain permitted financial instruments such as derivative contracts or forward foreign exchange contracts may be used for the purpose of efficient portfolio management. Where such financial instruments are used to protect or enhance revenue, the revenue and expenses derived therefrom are included in "Revenue" or "Expenses" in the Statement of Total Return. Where such financial instruments are used to protect or enhance capital, the gains and losses derived therefrom are included in "Net capital gains" in the Statement of Total Return.

Any positions in respect of such instruments open at the year end are reflected in the portfolio statement at their market value. The amounts held at brokers clearing houses in respect of these financial instruments are included in the cash and bank balances in the Financial Statements of the individual sub-Funds.

2 NET CAPITAL GAINS/(LOSSES)

The net capital gains/(losses) during the year comprise:

	2023 US$	2022 US$
Non-derivative securities	24,665,114	(35,239,236)
Other currency gains/(losses)	8,554	(49,044)
Forward currency derivative contracts	(2,505)	475
Other income	–	167
Transaction charges	(137,175)	(142,981)
Net capital gains/(losses)	24,533,988	(35,430,619)

3 REVENUE

	2023 US$	2022 US$
Bank interest	55,529	17,567
Interest on debt securities	494,110	284,409
Overseas dividends	3,090,734	3,083,674
Scrip dividends	–	10,616
Unfranked Component of Real Estate Investment Income	9,295	5,915
Total revenue	3,649,668	3,402,181

4 EXPENSES

	2023 US$	2022 US$
Payable to the Fund Manager, associates of the Manager and agents of either of them:		
Annual management charge	(2,900,696)	(3,071,602)
Directors' fees	(25,028)	(23,188)
Registration expenses	(12,077)	(12,103)
	(2,937,801)	(3,106,893)
Payable to the Fiduciary Custodian, associates of the Fiduciary Custodian and agents of either of them:		
Fiduciary Custodian's fees	(60,552)	(64,319)
Safe custody fees	(30,614)	(30,492)
Interest payable	(3,308)	(2,069)
	(94,474)	(96,880)
Other expenses:		
Audit fee	(148,091)	(55,649)
Publication charges	(28,189)	(21,478)
Regulatory and professional fees	(16,807)	(16,739)
	(193,087)	(93,866)
Total expenses	(3,225,362)	(3,297,639)

5 TAXATION

	2023 US$	2022 US$
Analysis of charge in year:		
Overseas tax suffered	(496,296)	(488,201)
Total overseas taxation	(496,296)	(488,201)

6 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	2023 US$	2022 US$
Interim	(75,512)	–
Final	(443,492)	(432,759)
	(519,004)	(432,759)
Revenue deducted on cancellation of shares	(7,440)	(207)
Revenue received on creation of shares	7,751	5,689
Distributions for the year	(518,693)	(427,277)

Details of the distribution per share are detailed in each sub-Fund.

7 INVESTMENTS

Fair Value Hierarchy
Please refer to the individual Funds notes to the financial statements.

8 DEBTORS

	2023 US$	2022 US$
Accrued Bank Interest	1,150	1,878
Accrued revenue	231,719	210,314
Overseas tax recoverable	5,443	5,281
Prepaid expenses	11,034	6,958
Receivable from Fund Manager – Nominal and management shares	2,158,505	2,141,489
Sales awaiting settlement	18,616	140,966
Total debtors	2,426,467	2,506,886

9 OTHER CREDITORS

	2023 US$	2022 US$
Accrued expenses	(175,826)	(107,024)
Amounts payable to the Fund Manager	(228,195)	(227,425)
Amounts payable for cancellation of shares	(35,306)	(93,343)
Purchases awaiting settlement	–	(240,312)
Total creditors	(439,327)	(668,104)

10 MATERIAL CONTRACTS AND RELATED PARTY CONTRACTS

Management and Investment Manager Agreements
The following contracts which are or may be significant have been entered into by the Company:

a) Management Agreement dated 29th December 1989 (as amended) between the Company and the Manager whereby the latter has been appointed to act as the Manager in accordance with the Authorised Collective Investment Schemes Regulations 2010. The activities of the Manager include managing the Company's business, investments and administrative affairs and distributing and promoting the distribution of its Participating Redeemable Preference Shares including by way of offer for sale, subject to the overall supervision of the Directors. The Regulations allow for the delegation of the Manager's functions.

The Manager's remuneration comes from two principal sources:

i) The Manager is entitled to retain the amount which is the difference between the proceeds for the Preference Shares sold to the applicant and the cost of the Manager of those shares.

ii) A management charge payable monthly at an annual rate of 1.95% of the underlying property of each sub-Fund (calculated on an offer basis) for all sub-Funds except the Gilt and Income Fund which has a rate of 1.25% and the Managed Currency Fund which has a rate of 1%.

b) The principal activities of the Investment Manager are the giving of investment advice and the provision of discretionary and non-discretionary Investment Management Services to Momentum International Fund Managers (IOM) Limited. This is under an agreement dated 28 April 2017 between the Manager and the Investment Manager to advise the Manager in relation to the investment of the property of the sub-Funds. The Investment Manager's remuneration is borne by the Manager.

Related Party Transactions
Monument International Fund Managers (IOM) Limited (the Fund Manager) is a related party and acts as principal in respect of all transactions of shares in each sub Fund and has common directors. Details of transactions and balances are disclosed in the notes to the financial statements of each sub Fund.

11 FINANCIAL INSTRUMENTS

In pursuing their investment objectives, each of the sub-Funds may hold a number of financial instruments. These financial instruments comprise securities, derivatives and other investments, cash balances, debtors and creditors that arise directly from the sub-Funds' operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued revenue.

The main risks arising from financial instruments and the Manager's policies for managing these risks are stated below. These policies have been applied throughout the year under review.

These policies have been consistent for both the current and prior year to which these Financial Statements relate.

Market price risk
Market price risk is the risk that the value of the sub-Funds' investments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the sub-Funds might hold. It represents the potential loss the sub-Funds might suffer through holding market positions in the face of price movements. The sub-Funds' investment portfolios are exposed to market price fluctuations, which are monitored by the Manager in pursuance of their investment objectives and policies as set out in the Scheme Particulars.

Market price risk is fundamental to the purpose of the sub-Funds. Adherence to investment guidelines and to investment and borrowing powers set out in the Scheme Particulars and in the Authorised Collective Investment Schemes Regulations 2010 mitigates the risk of excessive exposure to any particular type of security issuer.

Foreign currency risk
Foreign currency risk is the risk that the value of the sub-Funds' investments will fluctuate as a result of changes in foreign currency exchange rates.

For those sub-Funds where a portion of the investment portfolio is invested in securities priced in currencies other than the functional currency of the sub-Fund, the Balance Sheet can be affected by movements in exchange rates. The Manager may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the value of investments that are priced in other currencies, other than the functional currency of the sub-Fund. The foreign currency risk profile for each sub-Fund is shown in the Notes to the Financial Statements of each sub-Fund.

Interest rate risk
Interest rate risk is the risk that the value of the sub-Funds' investments will fluctuate as a result of changes in interest rates.

Some of the sub-Funds invest in fixed and floating rate securities. The income of these sub-Funds may be affected by changes to interest rates relevant to particular securities or as a result of the Manager being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The interest rate profile for each sub-Fund is shown in the Notes to the Financial Statements of each sub-Fund.

Liquidity risk
The assets of the sub-Funds comprise mainly readily realisable securities. The main liability of the sub-Funds is the redemption of any preference shares that investors wish to sell. Securities from a sub-Fund may need to be sold if insufficient cash is available to finance such redemptions.

Each sub-Fund's shares settle on a basis longer than most of the underlying securities that settle in a shorter period, which enables the Investment Manager to manage liquidity on a daily basis.

Credit risk
Certain transactions in securities that the sub-Funds enter into expose them to risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the sub-Fund has fulfilled its responsibilities. The sub-Funds only buy and sell investments through brokers which have been approved by the Manager as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in broker's financial ratings are reviewed by the Manager.

The value of sub-Funds' investments will be adversely impacted in the event of the default or perceived increased credit risk of an issuer. For other financial assets, such as bank deposits and trade receivables, the Company adopts the policy of dealing only with high credit quality counterparties, approved by the Manager, thereby minimising the risk of default.

The clearing and depository operations for the Company's security transactions are mainly concentrated with BNP Paribas S.A., Jersey Branch, a subsidiary of BNP Paribas. BNP Paribas is a member of a major securities exchange, and at 31st December 2023 had a credit rating of A-1 (2022: A-1). At 31st December 2023 and 31st December 2022, substantially all cash and bank balances, sales awaiting settlement and investments are placed in custody with BNP Paribas S.A., Jersey Branch.

11 FINANCIAL INSTRUMENTS (continued)

Derivatives
The sub-Funds may enter into derivative transactions in the form of forward currency contracts. Forward currency contracts are used to manage currency risk arising from holdings of securities priced in currencies other than the functional currency of the sub-Fund. Details of derivative contracts are disclosed in the portfolio statements of the relevant Funds.

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.

Capital risk management
The capital of the Company is represented by the net assets attributable to holders of redeemable preference shares. The amount of net asset attributable to holders of redeemable shares can change significantly on a daily basis, as the sub Funds are subject to daily subscriptions and redemptions at the discretion of shareholders, as well as changes resulting from their performance. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Company.

In order to maintain the capital structure, the Company's policy is to perform the following:

- Monitor the level of daily subscriptions and redemptions relative to the assets it expects to be able to liquidate and adjust the amount of distributions the sub Funds pay to redeemable preference shareholders.
- Redeem and issue new shares in accordance with the constitutional documents of the Company, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions.

The Board of Directors and the Manager monitor capital on the basis of the value of net assets attributable to redeemable preference shareholders.

12 DIRECT TRANSACTION COSTS

Please refer to the individual sub-Fund notes to the financial statements.

13 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities at the balance sheet date (2022: US$ Nil).

14 CAPITAL AND RESERVES

Authorised Share Capital	2023 US$	2022 US$
Management Shares: 10 of US$ 1 each	10	10
Unclassified Shares: 1,000,000,000 of US$ 0.0025 each	2,500,000	2,500,000
	2,500,010	2,500,010

The Management Shares have been issued to and are held by Monument International Fund Managers (IOM) Limited.

The Unclassified Shares are termed as such, pending issue. They may be issued as Participating Redeemable Preference Shares ('Participating Shares') or as Nominal Shares.

Preference Shares may be issued and redeemed at prices based on the value of the Net Assets of the Company attributable to the appropriate sub-Fund as determined in accordance with its Articles of Association and the Regulations. On redemption of a Participating Share, a Nominal Share may be issued to the Manager for cash at par on the basis of one Nominal Share for each share redeemed. Nominal Shares may subsequently be converted and reissued as Preference Shares.

There are no pre-emption rights on the issue or transfer of Preference Shares in the Company.

The holders of a Preference Share of any class or a Management Share are entitled to one vote. The Management Shares and Nominal Shares do not carry any right to dividends and in the event of a winding-up, rank only for the return of paid up capital.

Preference Shares are classed as financial liabilities as the holders of the Preference Shares are entitled to redeem the Preference Shares at their discretion and the rights of other shareholders are restricted.

Share Premium
The Share Premium Account is made up of the difference between proceeds of shares in issue and the nominal value of the total Shares in issue, less the premium payable on the cancellation of preference shares.

Capital Reserve
The Capital Reserve consists of the Realised Reserve and Unrealised Reserve for each sub-Fund. The Realised Reserve is made up of realised net capital gains, which are transferred to the Realised Reserve each year. The Unrealised Reserve contains the unrealised net capital gains/(losses) and any deficit for the year, which are transferred to the Unrealised Reserve each year.

14 CAPITAL AND RESERVES (continued)

	No. of Shares	Aggregated Total	Managed	Worldwide Equity	Managed Currency
		US$	US$	US$	US$
Management shares					
Balance as at 01.01.23	10	10	10		
Issued during the year	–	–	–		
Redeemed during the year	–	–	–		
Balance as at 31.12.23	**10**	**10**	**10**		
Nominal shares $0.0025 each					
Balance as at 01.01.23		2,141,479	552,456	225,177	60,023
Issued during the year		20,777	1,344	2,810	178
Redeemed during the year		(3,761)	(107)	(460)	(53)
Balance as at 31.12.23		**2,158,495**	**553,693**	**227,527**	**60,148**
Nominal shares – number of shares					
Balance as at 01.01.23		856,591,437	220,982,512	90,070,858	24,009,029
Issued during the year		8,311,202	537,685	1,123,888	71,431
Redeemed during the year		(1,504,142)	(42,873)	(183,841)	(21,171)
Balance as at 31.12.23		**863,398,497**	**221,477,324**	**91,010,905**	**24,059,289**
Preference Shares $0.0025 each					
Balance as at 01.01.23		170,371	25,519	16,818	3,781
Issued during the year		3,761	107	460	53
Redeemed during the year		(20,777)	(1,344)	(2,810)	(178)
Balance as at 31.12.23		**153,355**	**24,282**	**14,468**	**3,656**
Preference Shares – number of shares					
Balance as at 01.01.23		68,147,480	10,207,403	6,726,811	1,512,201
Issued during the year		1,504,142	42,873	183,841	21,171
Redeemed during the year		(8,311,202)	(537,685)	(1,123,888)	(71,431)
Balance as at 31.12.23		**61,340,420**	**9,712,591**	**5,786,764**	**1,461,941**
Share premium					
Balance as at 01.01.23		111,397,406	18,481,722	14,325,806	540,323
Premium relating to shares (Redeemed)/ issued during the year		(6,641,310)	(725,526)	(731,802)	(18,777)
Balance as at 31.12.23		**104,756,096**	**17,756,196**	**13,594,004**	**521,546**
Capital reserve					
Balance as at 01.01.23		33,640,905	7,112,067	8,167,964	(55,608)
Increase in the year		17,272,434	3,611,236	2,518,816	1,099
Balance as at 31.12.23		**50,913,339**	**10,723,303**	**10,686,780**	**(54,509)**
Net assets attributable to Preference Shareholders comprises:					
Share capital		153,355	24,282	14,468	3,656
Share premium		104,756,096	17,756,196	13,594,004	521,546
Capital reserve		50,913,339	10,723,303	10,686,780	(54,509)
Total as at 31.12.23		**155,822,790**	**28,503,781**	**24,295,252**	**470,693**

14 CAPITAL AND RESERVES (continued)

	Gilt and Income	North American Growth	Far East	UK Capital Growth	Europe
	US$	US$	US$	US$	US$
Management shares					
Balance as at 01.01.23					
Issued during the year					
Redeemed during the year					
Balance as at 31.12.23					
Nominal shares $0.0025 each					
Balance as at 01.01.23	573,211	149,525	73,199	411,878	96,010
Issued during the year	4,125	491	279	10,300	1,250
Redeemed during the year	(1,027)	(77)	(16)	(1,884)	(137)
Balance as at 31.12.23	**576,309**	**149,939**	**73,462**	**420,294**	**97,123**
Nominal shares – number of shares					
Balance as at 01.01.23	229,284,509	59,809,945	29,279,555	164,751,018	38,404,011
Issued during the year	1,649,814	196,450	111,568	4,120,395	499,971
Redeemed during the year	(410,707)	(30,808)	(6,420)	(753,636)	(54,686)
Balance as at 31.12.23	**230,523,616**	**59,975,587**	**29,384,703**	**168,117,777**	**38,849,296**
Preference Shares $0.0025 each					
Balance as at 01.01.23	45,843	5,835	4,459	59,404	8,712
Issued during the year	1,027	77	16	1,884	137
Redeemed during the year	(4,125)	(491)	(279)	(10,300)	(1,250)
Balance as at 31.12.23	**42,745**	**5,421**	**4,196**	**50,988**	**7,599**
Preference Shares – number of shares					
Balance as at 01.01.23	18,337,069	2,333,943	1,783,713	23,761,432	3,484,908
Issued during the year	410,707	30,808	6,420	753,636	54,686
Redeemed during the year	(1,649,814)	(196,450)	(111,568)	(4,120,395)	(499,971)
Balance as at 31.12.23	**17,097,962**	**2,168,301**	**1,678,565**	**20,394,673**	**3,039,623**
Share premium					
Balance as at 01.01.23	9,636,159	17,377,522	5,015,282	34,665,934	11,354,658
Premium relating to shares (Redeemed)/issued during the year	(613,782)	(804,628)	(143,100)	(2,764,333)	(839,362)
Balance as at 31.12.23	**9,022,377**	**16,572,894**	**4,872,182**	**31,901,601**	**10,515,296**
Capital reserve					
Balance as at 01.01.23	(2,851,190)	9,089,765	1,850,768	(2,413,500)	12,740,639
Increase in the year	527,430	6,219,864	197,373	2,706,954	1,489,662
Balance as at 31.12.23	**(2,323,760)**	**15,309,629**	**2,048,141**	**293,454**	**14,230,301**
Net assets attributable to Preference Shareholders comprises:					
Share capital	42,745	5,421	4,196	50,988	7,599
Share premium	9,022,377	16,572,894	4,872,182	31,901,601	10,515,296
Capital reserve	(2,323,760)	15,309,629	2,048,141	293,454	14,230,301
Total as at 31.12.23	**6,741,362**	**31,887,944**	**6,924,519**	**32,246,043**	**24,753,196**

Further Information

Taxation
The Company is resident in the Isle of Man and, as such, is liable to Isle of Man Income Tax on profits. Under current Isle of Man taxation rules, a rate of 0% (2022: 0%) will apply and so no provision for Isle of Man taxation has been deemed necessary in these Financial Statements.

Dividend payments to Preference Shareholders can be made without the deduction of Isle of Man taxation at source.

Price Publication
Monument International Fund Managers (IOM) Limited publishes prices for each of the sub Funds which are available on the Monument Re Limited website, www.monument.im/mifm.

Directors' Fees
The annual remuneration of each non-executive director is GBP 10,000. All Directors except the Non Executive Directors waive their right to any Directors fees.

Approval of Financial Statements
The Financial Statements were approved by the Board of Directors on 18th March 2024.

A copy of the Financial Statements is available on the Monument Re Limited website, www.monument.im/mifm or on request from the Manager.

Issued by

Monument International
Fund Managers (IOM) Limited

Licensed by the Isle of Man
Financial Services Authority

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