

# **ES BAKER STEEL GLOBAL INVESTORS OEIC**

Annual Report and Audited Financial Statements for the year ended  
31 December 2023

## **ES BAKER STEEL GLOBAL INVESTORS OEIC**

### **AUTHORISED CORPORATE DIRECTOR'S REPORT AND AUDITED FINANCIAL STATEMENTS**

For the year ended 31 December 2023

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## ES BAKER STEEL GLOBAL INVESTORS OEIC

### MANAGEMENT AND PROFESSIONAL SERVICE PROVIDERS' DETAILS

**Authorised Corporate Director ("ACD")**

Equity Trustees Fund Services Limited  
4th Floor Pountney Hill House  
6 Laurence Pountney Hill  
London EC4R 0BL

**Statutory Auditor**

Deloitte LLP  
110 Queen Street  
Glasgow  
G1 3BX  
United Kingdom

**Investment Manager**

Baker Steel Capital Managers LLP\*  
34 Dover Street  
London W1S 4NG

**Depositary**

CACEIS UK Trustee  
And Depositary Service Limited\*\*+  
Broadwalk House  
5 Appold Street London EC2A 2DA  
(Authorised and regulated by the Financial  
Conduct Authority)

**Registrars and Transfer Agency**

FNZ Transfer Agency Services  
Level 7, 2 Redman Place  
Stratford E20 1JQ  
London

**Directors of the ACD**

Tim Callaghan  
Vincent Camerlynck  
James Gardner  
Dallas McGillivray

**Administrator**

CACEIS Bank, UK Branch  
Broadwalk House  
5 Appold Street  
London EC2A 2DA

\* Authorised and regulated by the Financial Conduct Authority ("FCA").

\*\* Authorised and regulated by the Financial Conduct Authority ("FCA"), the Prudential Regulation Authority ("PRA") and Autorité de Contrôle Prudentiel et de Résolution ("ACPR").

+CACEIS Bank, UK Branch up to 30 September 2023

Please note that telephone calls may be recorded for monitoring and training purposes and to confirm investors' instructions.

## **ES BAKER STEEL GLOBAL INVESTORS OEIC**

### **REPORT OF THE AUTHORISED CORPORATE DIRECTOR**

Equity Trustees Fund Services Limited (“ETFS”), the Authorised Corporate Director (“ACD”) of ES Baker Steel Global Investors OEIC (“the Company”), is pleased to present the annual report and audited Financial Statements of the Company for the year ended 31 December 2023.

We hope that you find this report informative. If you require further information concerning your investment, please call our Registrar on 0330 024 0785. Please note that calls may be recorded for training and monitoring purposes and to confirm investors’ instructions.

#### **Constitution and Authorised Status**

The ES Baker Steel Global Investors OEIC is an Open-Ended Investment Company (OEIC) with Variable Capital (“ICVC”). The Company is authorised in the United Kingdom by the FCA pursuant to Regulation 14 of the OEIC Regulations with number IC069764. The effective date of the Authorisation Order made by the FCA was 31 March 2022. The head office of the Company is 4th floor Pountney Hill House, 6 Laurence Pountney Hill, London EC4R 0BL.

The minimum Share capital of the Company shall be £1 and the maximum Share capital shall be £100,000,000,000. The base currency for the Company is Pounds Sterling. The Share capital of the Company at all times equals the Net Asset Value of the Sub-Fund. The Shareholders are not liable for the debts of the Company.

The Company is a UK “UCITS Scheme”, as defined in the FCA Rules, and organised as an umbrella company for the purposes of the OEIC regulations.

The Sub-Funds of the company are valued on a mid-market basis, with daily single prices appearing on the ACD’s website: ([www.equitytrustees.com](http://www.equitytrustees.com)). The Sub-Funds valuation point is 12pm.

In line with the Protected Cell Company Regime, the assets of a Sub-Fund of the Company belong exclusively to that Sub-Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other Sub-Fund of the Company, and shall not be available for any such purpose.

While the provisions of the OEIC Regulations provide for segregated liability between Sub-Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to regulations 11A and 11B of the OEIC Regulations.

The investment objective of the Sub-Fund is to achieve capital growth in excess of the MSCI ACWI Metals & Mining Index over a rolling 5 year period after the deduction of all fees. The Sub-Fund aims to achieve this by investing at least 80% of its value in shares of companies with a focus on speciality and precious metals equities.

Subject to the OEIC Regulations and the provisions set out in the instrument constituting the Scheme, the ACD may establish additional Funds from time to time.

#### **Significant Events during the year**

From 1 August 2023, the target benchmark for the Sub-Fund has changed to MSCI ACWI Metals & Mining Index due to the previous benchmark EMIX Global Mining Index ceasing calculation.

The Prospectus was updated to include the extended subscription time of the S Share Class to new investors and for the change to the target benchmark. The S Share class is now open for new investors until the total net assets of S Share Class reaches £50m.

EQT Holdings limited, the holding company for Equity Trustees, announced on 14 August 2023 its decision to exit its investment in the UK and Ireland including Equity Trustees Fund Services Limited, the manager of the OEIC. This has no impact on individual Financial Statements.

## **ES BAKER STEEL GLOBAL INVESTORS OEIC**

### **REPORT OF THE AUTHORISED CORPORATE DIRECTOR** *(continued)*

#### **Significant Events during the year** *(continued)*

As a result of the UK leaving the European Union on 31 January 2020, the FCA no longer permits EU financial institutions to provide depositary services in the UK after 31 December 2023. Therefore on 1 October 2023 ES Baker Steel Global Investors OEIC migrated their Depositary services from the CACEIS Bank, UK branch (an EU institution) to CACEIS UK Trustee and Depositary Services Limited, a registered UK company, with Company Number 12374468 and authorised by the FCA.

#### **Important Events post year end**

On 18 March 2024 approval was received from the FCA to amend the instrument of incorporation and prospectus of the ES Baker Steel Global Investors OEIC to reflect a change of name to SVS Baker Steel Global Investors OEIC and change the sub-fund name to SVS Baker Steel Electrum Fund.

To include in the amendment to the prospectus a change of the Authorised Corporate Director & Fund Administrator to Evelyn Partners Fund Solutions Limited, a change of Depositary to NatWest Trustee and Depositary Services Limited and a change of auditor to Johnston Carmichael LLP.

These alterations will not affect the ongoing authorisation of the schemes.

These changes will take place in due course.

#### **UK UCITS V**

Equity Trustees Fund Services Limited is committed to ensuring that its remuneration policies and practices are consistent with and promote, sound and effective risk management. Its remuneration policy is designed to ensure that excessive risk taking is not encouraged by or within the Group including in respect of the risk profile of the Funds it operates, to manage the potential for conflicts of interest in relation to remuneration (having regard, inter alia, to its formal conflicts of interest policy) and to enable them to achieve and maintain a sound capital base.

Equity Trustees Fund Services Limited delegates portfolio management for its funds to various investment management firms. The investment managers' fees and expenses for providing investment management services are paid by the ACD out of its own remuneration under the ACD agreement. The investment management firms generally also make information on remuneration publicly available in accordance with the disclosure requirements of Pillar 3 of the Capital Requirements Directive.

The remuneration strategy across ETFs is governed by the board of the holdings company Equity Trustees (UK & Europe) Limited. As a result of the company's size and structure, the board of ETFs has chosen not to establish a Remuneration Committee. The board has established a Remuneration Policy designed to ensure that the UCITS Remuneration Code in the Financial Conduct Authority handbook is met proportionately for all UCITS Remuneration Code Staff.

ETFs considers its activities as non-complex due to the fact that regulation limits the activities of the UCITS and the scope of investment in such a way so as to seek that investor risk is mitigated. The activities of ETFs and the delegated Investment Manager is strictly controlled within certain pre-defined parameters as set out in the prospectus of each UCITS.

In its role as a UCITS Manager, ETFs deems itself as lower risk due to the nature of the activities it conducts. ETFs does not pay any form of variable remuneration currently based on the Investment Performance of its UCITS. Therefore, ETFs have provided a basic overview of how staff, whose actions have a material impact on the Fund, are remunerated.

## ES BAKER STEEL GLOBAL INVESTORS OEIC

### REPORT OF THE AUTHORISED CORPORATE DIRECTOR *(continued)*

#### Important Events post year end *(continued)*

30 June 2023	Number of Beneficiaries	Remuneration paid	Fixed remuneration	Variable remuneration paid	Carried interest paid by the UCITS
Total remuneration paid by the UCITS Manager during the financial year	23	£1,434,451	£1,383,472	£50,979	£0
Remuneration paid to employees of the UCITS Manager who have a material impact on the risk profile of the UCITS	15	£1,166,964	£1,127,985	£38,979	£0
Senior Management	13	£1,001,685	£968,306	£33,379	£0
SMF	4	£383,195	£370,320	£12,875	£0
Employees receiving total remuneration that takes them into the same remuneration bracket as senior managers and risk takers	0	£0	£0	£0	£0

Equity Trustees Fund Services Limited annual accounts as at 30 June 2023.

Figures include remuneration paid to employees of Equity Trustees Fund Services Ireland Limited, for their actions that have a material impact on the Company. The figures are based on transfer pricing arrangements that exist between the companies.

#### Going Concern

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the accounts, accordingly the Company has adequate financial resources to continue in operational existence for at least, but not limited to, the next twelve months from the approval of these Financial Statements. Further, appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of these Financial Statements and applicable accounting standards have been followed.

The Directors continue to closely monitor the market impact of global events such as the Russian-Ukraine conflict, and the hostilities in the middle east, and although these events may impact the performance of the ES Baker Steel Global Investors OEIC, based on the Directors analysis of these events, they remain of the opinion that adequate financial resources and business continuity plans are in place for the ES Baker Steel Global Investors OEIC to continue as a going concern.

#### **Certification of the annual report and audited Financial Statements by the Authorised Corporate Director, Equity Trustees Fund Services Limited.**

In accordance with the requirements of the Open-Ended Investment Companies Regulations 2001(SI2001/1228) and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL" or "COLL Sourcebook"), we hereby certify the annual report and audited Financial Statements on behalf of the ACD, Equity Trustees Fund Services Limited.



#### **James Gardner**

Director for and on behalf of Equity Trustees Fund Services Limited  
Authorised Corporate Director of ES Baker Steel Global Investors OEIC  
25 March 2024

## **ES BAKER STEEL GLOBAL INVESTORS OEIC**

### **STATEMENT OF THE ACD'S RESPONSIBILITIES**

For the year ended 31 December 2023

The Authorised Corporate Director ("ACD") of The ES Baker Steel Global Investors OEIC ("the Company") is responsible for preparing the Annual Report and the financial statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations"), the Financial Conduct Authority's Collective Investment Schemes' Sourcebook ("COLL") and the Company's Instrument of Incorporation.

The OEIC Regulations and COLL require the ACD to prepare financial statements for each annual accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association ("IA SORP") in May 2014; and amended in June 2017.
- give a true and fair view of the financial position of the Company and each of its sub-fund as at the end of that period and the net revenue and the net capital gains or losses on the scheme property of the Company and each of its Sub-Fund for that period.

In preparing the financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the IA SORP 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 operation.

The ACD is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the applicable IA SORP and United Kingdom Accounting Standards and applicable law. The ACD is also responsible for the system of internal controls, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with COLL 4.5.8BR, the Annual Report and the audited financial statements were approved by the board of directors of the ACD of the Company and authorised for issue on 25 March 2024.

## **ES BAKER STEEL GLOBAL INVESTORS OEIC**

### **REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF THE COMPANY**

For the year ended 31 December 2023

The Depositary is responsible for the safekeeping of all of the property of the company (other than tangible moveable property) which is entrusted to it and for the collection of income that arises from that property.

It is the duty of the depositary to take reasonable care to ensure that the company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), the Company's Instrument of Incorporation and Prospectus of the Company; in relation to the pricing of, and dealings in, shares in the Company; the application of income of the Company; and the investment and borrowing powers applicable to the Company.

#### **Statement of the Depositary's Responsibilities**

For the year ended 31 December 2023

Having carried out such procedures as we consider necessary to discharge our responsibilities as depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Sourcebook and, where applicable, the OEIC Regulations, the Instrument of Incorporation and Prospectus of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

For and on behalf of CACEIS UK Trustee and Depositary Services Limited  
Depositary of ES BAKER STEEL GLOBAL INVESTORS OEIC  
25 March 2024



## ES BAKER STEEL GLOBAL INVESTORS OEIC

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ES BAKER STEEL GLOBAL INVESTORS OEIC

For the year ended 31 December 2023

#### Report on the audit of the financial statements

##### Opinion

In our opinion the financial statements of ES Baker Steel Global Investors OEIC fund (the 'Company'):

- give a true and fair view of the financial position of the company as at 31 December 2023 and of the net revenue and the net capital losses on the property of the Company for the year ended 31 December 2023; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

We have audited the financial statements which comprise for each sub-fund:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- the related notes 1 to 17; and
- the distribution table.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, as amended in June 2017, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

##### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the authorised corporate director's (ACD's) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the ACD with respect to going concern are described in the relevant sections of this report.

##### Other Information

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

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ES BAKER STEEL  
GLOBAL INVESTORS OEIC (continued)**

For the year ended 31 December 2023

**Other Information (continued)**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 depositary and ACD**

As explained more fully in the depositary's responsibilities statement and the ACD's responsibilities statement, the depositary is responsible for the safeguarding the property of the company and the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines 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 ACD is 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 ACD either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the ACD about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Collective Investment Schemes Sourcebook and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Open-Ended Investment Companies Regulations 2001.

## ES BAKER STEEL GLOBAL INVESTORS OEIC

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ES BAKER STEEL GLOBAL INVESTORS OEIC *(continued)*

For the year ended 31 December 2023

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud** *(continued)*

We discussed among the audit engagement team including relevant internal specialists such as valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investments due to its significance to the net asset value of the fund. In response we have: involved our financial instruments specialists to assess the applied valuation methodologies; agreed investment holdings to independent confirmations; and agreed investment valuations to reliable independent sources.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook**

In our opinion:

- proper accounting records for the company have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information given in the ACD's report for the year ended 31 December 2023 is consistent with the financial statements.

##### **Use of our report**

This report is made solely to the company's shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed

*Deloitte LLP*

**Deloitte LLP**  
Statutory Auditor  
Glasgow, United Kingdom  
25 March 2024

## ES BAKER STEEL GLOBAL INVESTORS OEIC

### REPORT OF THE INVESTMENT MANAGER

For the year ended 31 December 2023

#### Investment Review

The ES Baker Steel Electrum Fund (“the Electrum Fund”) fell -9.0% (B class) during the year, compared with the MSCI ACWI Metals and Mining Index\* (“the Index”) which fell -3.9% over the period.

2023 was a challenging year for the speciality metals sector. Our key objective as active investment managers during this period has been to maintain the Electrum Fund's exposure to the fundamental upside potential we see in speciality and battery metals miners, while protecting against the downside risk without going defensive. While we believe we achieved this during 2023, the Electrum Fund still lagged its Index during the year, due to the strong relative performance of bulk commodities, notably iron ore, which are heavily represented in the Index.

The Electrum Fund's top performers included Cameco, a leading uranium producer which was boosted by a supply deficit and price momentum in the sector, and Century Aluminium, a leading producer of aluminium. Champion Iron, a producer specialising in high grade iron ore used in lower emission steel making, was also among the Electrum Fund's top performers. Positions which detracted from performance included battery metals producers, which faced declining prices and oversupplied markets over the past year, alongside selected industrial metals miners. Largo, a vanadium miner and processor, and Albemarle, a leading lithium miner, were among the underperforming positions. Increased exposure to precious metals equities in the Electrum Fund helped only partially offset this negative trend.

Significant changes were made to the portfolio's sub-sector allocation during the year. With regard to battery-related metals, lithium exposure was increased during the year, from around 1% at the end of 2022 to around 16% at mid-year on the back of the restocking cycle but was then reduced again to around 10% at the end of 2023, as the restocking cycle tailed off and temporary oversupply began impacting the market. In contrast exposure to vanadium, nickel and cobalt decreased from around 11% to just 2% over the course of 2023, amid oversupply in these markets.

In other sub-sectors we identified a stronger near-term outlook. The Electrum Fund's position in uranium miners increased from 3% at the start of the year to around 12% in Q3, as the sector appeared well-supported by increasing nuclear energy deployments and rising political support for new nuclear projects. Exposure to gold and silver metal miners also increased during the year from 28% at the end of 2022 to 36% at the end of 2023. We see an array of catalysts for precious metals in the months ahead as central banks move towards interest rate cuts and as economic and geopolitical risk remains elevated.

Sources: Baker Steel Capital Managers LLP, Bloomberg.

\*Prior to 1 August 2023 the Index was EMIX Global Mining Index.

#### Market Overview

2023 delivered a range of surprises for investors as the US banking crisis, China's disappointing economic reopening, and multiple conflicts, buffeted markets. These events were accompanied by volatility caused by speculation over monetary policy direction, as central bankers, led by the US Federal Reserve, battled to tame rampant inflation.

Much of the mining sector has been in a period of consolidation for the past two years. There have been several “false starts” for recovery, such as the rally in early 2023, led by precious metals in response to the US banking crisis and periodic speculation regarding the timing of the end of the US rate hike cycle. Yet the twin headwinds of central banks' determination to raise interest rates to combat inflation, and a lacklustre outlook for global economic growth, have kept pressure up on the miners' share prices.

We begin 2024 with global equity markets in a bullish state, in anticipation of lower interest rates, lower inflation, and a “soft landing”. Whether this euphoria lasts or fades, we believe a bull market phase for metals and mining is approaching. US interest rate cuts have historically given a significant boost to many commodity prices and to miners, particularly the precious metals sector. Meanwhile the seemingly unstoppable momentum of the clean energy transition continues to drive historic demand forecasts for the speciality and battery metals sector.

\*Index performance reflects the change from the EMIX Global Mining Index to the MSCI ACWI Metals and Mining Index on 1 August 2023.

## ES BAKER STEEL GLOBAL INVESTORS OEIC

### REPORT OF THE INVESTMENT MANAGER *(continued)*

For the year ended 31 December 2023

#### Outlook

Investors face an array of questions at the start of 2024: How far and fast will central bankers cut rates? Will the US and other developed economies achieve a “soft landing”? Will economic slowdown and potential crises prompt accelerated rate cuts and new economic stimulus? As has been the case in recent years, investors should also expect geopolitical events to continue to deliver surprises. Overall, we consider the balance of probability lies in favour of a strong year for speciality and precious metals in 2024. Doubts remain about whether inflation has been tamed, yet interest rates appear likely to fall in the coming months, creating an environment which has historically benefitted commodities and miners, particularly precious metals miners.

Despite mixed conditions for mining equities in 2023, encouraging performance during the fourth quarter has placed the sector in a strong position for 2024. With investor sentiment showing signs of starting to turn, the sector’s recovery potential in the near-term is significant. To regain recent highs, battery metals miners would have to rise +89% in nominal terms, and +111% in real terms. Precious metals would have to rise +49% in nominal terms and +78% in real terms, while diversified mining would need to rise +19% in nominal terms, +28% in real terms (in USD terms). Yet in our view a recovery to recent highs would represent just the first step towards the new bull market which we believe is approaching for the metals and mining sector, backed by significant forecast supply deficits for critical minerals, commitment to net zero policies by governments across the developed world, geopolitical fragmentation and ongoing economic imbalances.

As we approach what we believe will be a supportive environment for precious and speciality metals miners in 2024 and beyond, Baker Steel’s team continues to deliver our unique and value driven investment approach, to the benefit of our clients, while adhering to sector leading ESG practices. As a team with multi-cycle investment experience, we know that investment success in this sector is typically the result of a combination of factors. Our value-driven investment philosophy, proprietary research tools and active investment approach have been central. Yet, it is the technical prowess of our team which we believe to be the biggest driver of investment success. As an independently owned firm our Managing Partners, our Fund Managers, are closely aligned with our investors, and with the Baker Steel Investment Team having expanded this year, we have ensured our research capacity is growing with the strategy and with the sector’s progress.

Baker Steel Capital Managers LLP  
5 February 2024

## ES BAKER STEEL ELECTRUM FUND

### COMPARATIVE TABLE, OCF AND RISK AND REWARD PROFILE

For the year ended 31 December 2023

#### Comparative Table

##### B Net Accumulation Shares

	31.12.2023	31.12.2022*
	(pence per share)	(pence per share)
<b>Change in net assets per share</b>		
Opening net asset value per share	101.77	-
Return before operating charges*	(7.86)	102.68
Operating charges	(1.33)	(0.91)
<b>Return after operating charges*</b>	(9.19)	101.77
Distributions on accumulation shares	(0.86)	(0.34)
Retained distribution on accumulation shares	0.86	0.34
<b>Closing net asset value per share</b>	<b>92.58</b>	<b>101.77</b>
*After direct transaction costs of:	<b>0.00</b>	<b>0.00</b>
<b>Performance</b>		
Return after charges	(9.03%)	1.77%
<b>Other information</b>		
Closing net asset value (£)	78,302	63,337
Closing number of shares	84,580	62,235
Operating charges	1.41%	1.50%
Direct transaction costs	0.28%	0.46%
<b>Prices</b>		
Highest share price (pence)	112.79	106.22
Lowest share price (pence)	80.33	81.98

\*On 11 May 2022 the Share Class B Net Accumulation Shares was launched.

## ES BAKER STEEL ELECTRUM FUND

### COMPARATIVE TABLE, OCF AND RISK AND REWARD PROFILE *(continued)*

For the year ended 31 December 2023

#### Comparative Table *(continued)*

##### S Net Accumulation Shares

	31.12.2023	31.12.2022*
	(pence per share)	(pence per share)
<b>Change in net assets per share</b>		
Opening net asset value per share	95.01	-
Return before operating charges*	(7.35)	95.60
Operating charges	(0.80)	(0.59)
<b>Return after operating charges*</b>	(8.15)	95.01
Distributions on accumulation shares	(1.21)	(0.67)
Retained distribution on accumulation shares	1.21	0.67
<b>Closing net asset value per share</b>	<b>86.86</b>	<b>95.01</b>
*After direct transaction costs of:	<b>0.00</b>	<b>0.00</b>
<b>Performance</b>		
Return after charges	(8.58%)	(4.99%)
<b>Other information</b>		
Closing net asset value (£)	29,616,889	6,674,955
Closing number of shares	34,097,429	7,025,312
Operating charges	0.94%	1.00%
Direct transaction costs	0.25%	0.45%
<b>Prices</b>		
Highest share price (pence)	105.34	101.30
Lowest share price (pence)	75.32	76.37

\*On 29 April 2022 the Share Class S Net Accumulation Shares was launched.



## ES BAKER STEEL ELECTRUM FUND

### COMPARATIVE TABLE, OCF AND RISK AND REWARD PROFILE (continued)

For the year ended 31 December 2023

#### Ongoing Charges Figure (OCF)

The OCF figure is the ratio of the relevant annualised total disclosable costs of accumulation shares from the most recent reporting year to the average net asset value for the shares over the same year. This is calculated in accordance with CESR/10-674.

The OCF for the B Net Accumulation share class as at 31 December 2023 was 1.41% (31 December 2022:1.50%).

The OCF for the S Net Accumulation share class as at 31 December 2023 was 0.94% (31 December 2022:1.00%).

#### Risk and Reward profile

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward, but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table below shows the Fund's ranking on the Risk and Reward Indicator.



- This Fund is ranked at 7 because funds of this type have experienced high rises and falls in value in the past.
- The Fund invests in a specialist sector and it may not perform in line with funds that have a broader investment policy.

For further risk information please refer to the prospectus.



## ES BAKER STEEL ELECTRUM FUND

### TOP TEN PURCHASES AND TOP TEN SALES

For the year ended 31 December 2023

The top ten purchases and top ten sales during the year were as follows:

<b>Purchases</b>	<b>Cost £</b>	<b>Sales</b>	<b>Proceeds £</b>
Livent Corporation	1,729,434	Newcrest Mining Limited	1,462,190
Freeport Mcmoran Copper And Gold	1,677,686	Advanced Metallurgical Group	1,065,430
Albemarle Corporation	1,547,997	Sprott Physical Uranium Trust	979,178
Norsk Hydro ASA	1,527,493	Iluka Resources Limited	879,744
Barrick Gold Corporation	1,521,932	Agnico Eagle Mines Limited	864,855
Pan American Silver Corporation	1,474,942	Freeport Mcmoran Copper And Gold Inc	839,878
Anglo American Plc	1,470,174	Energy Fuels Inc	838,227
Agnico Eagle Mines Limited	1,449,120	IGO Limited	823,358
Wheaton Precious Metals Corporation	1,387,896	Cameco Corporation	797,928
Advanced Metallurgical Group	1,385,179	Anglo American Plc	796,686
Other Purchases	32,968,597	Other Sales	13,727,733
<b>Total purchases during the period were</b>	<b>48,140,450</b>	<b>Total sales during the period were</b>	<b>23,075,207</b>

Other sales and other purchases include commission fees charged on trades during the year.

# ES BAKER STEEL ELECTRUM FUND

## PORTFOLIO STATEMENT

As at 31 December 2023

Holdings or Normal Value	Investments	Market Value £	Total Net Assets	
			31.12.23 % of Total Net Assets	31.12.22 %
	<b>EQUITIES 96.06%</b>			
	<b>Australia</b>			
288,500	Champion Iron Ltd	1,286,366	4.34%	
24,784	Newmont Corp-Cdi	804,990	2.71%	
729,800	Nickel Indust --- Registered Shs	269,542	0.91%	
284,400	Pilbara Minerals Ltd	599,790	2.02%	
376,800	South 32 Ltd	667,594	2.25%	
		<b>3,628,282</b>	<b>12.23%</b>	<b>25.48%</b>
	<b>Canada</b>			
13,210	Agnico Eagle Mines Ltd	569,291	1.92%	
277,400	B2Gold Corporation	688,170	2.32%	
163,640	Capstone Copper Corporation	623,050	2.10%	
80,550	Centerra Gold Inc	377,132	1.27%	
48,400	Ero Copper Corporation	600,926	2.02%	
272,900	Hudbay Minerals Inc Registered Shs	1,181,920	3.98%	
191,250	Kinross Gold Corporation	910,217	3.07%	
160,300	Largo Inc	286,094	0.96%	
162,900	Lundin Mining Corporation	1,047,611	3.53%	
116,600	Neo Performance Materials Inc	529,269	1.78%	
434,500	Oceanagold Corporation	651,394	2.19%	
		<b>7,465,074</b>	<b>25.14%</b>	<b>18.71%</b>
	<b>Europe</b>			
15,285	Advanced Metallurgical Group Nv	302,256	1.02%	
5,128	Eramet Sa	317,722	1.07%	
		<b>619,978</b>	<b>2.09%</b>	<b>3.88%</b>
	<b>United Kingdom</b>			
32,255	Anglo American Plc	635,617	2.14%	
150,621	Fresnillo Plc	894,990	3.01%	
19,675	Rio Tinto Plc	1,149,414	3.87%	
		<b>2,680,021</b>	<b>9.02%</b>	<b>12.76%</b>
	<b>Norway</b>			
262,540	Norsk Hydro Asa	1,385,081	4.66%	
		<b>1,385,081</b>	<b>4.66%</b>	<b>5.15%</b>
	<b>United States of America</b>			
8,325	Albemarle - Registered Shs	943,215	3.18%	
31,865	Alcoa Corporation	848,888	2.86%	
51,100	Anglogold Ashanti Ltd	749,202	2.52%	
70,110	Barrick Gold Corporation	994,368	3.35%	
32,870	Cameco Corporation	1,111,338	3.74%	
120,070	Century Aluminium Company	1,141,579	3.84%	
436,900	Coeur Mining Inc	1,113,870	3.75%	
36,600	Eldorado Gold --- Registered Shs	372,670	1.25%	
51,400	Energy Fuels --- Registered Shs	289,102	0.97%	
40,170	Freeport Mcmoran Copper And Gold Inc	1,340,504	4.51%	
88,165	Livent Corporation	1,240,068	4.18%	
6,250	Newmont Corporation	202,880	0.68%	
100,350	Pan American Silver	1,285,501	4.33%	
25,700	Ssr Mining Inc	216,525	0.73%	
23,240	Wheaton Precious Metal - Reg Shs	899,324	3.03%	
		<b>12,749,034</b>	<b>42.92%</b>	<b>26.96%</b>
		<b>28,527,470</b>	<b>96.06%</b>	<b>94.98%</b>
	<b>INVESTMENT FUND - Canada 1.03%</b>			
18,315	Sprott Physical Uranium Trust Fund	304,647	1.03%	
		<b>304,647</b>	<b>1.03%</b>	<b>1.12%</b>
	<b>Portfolio of Investments</b>	<b>28,832,117</b>	<b>97.09%</b>	<b>96.10%</b>
	Net Other Assets	863,074	2.91%	3.90%
	<b>Net Assets</b>	<b>29,695,191</b>	<b>100.00%</b>	<b>100.00%</b>

All investments are ordinary shares unless otherwise stated and admitted to official stock exchange listings.

## ES BAKER STEEL ELECTRUM FUND

### STATEMENT OF TOTAL RETURN

For the year ended 31 December 2023

		31.12.23		31.12.22*	
	Note	£	£	£	£
<b>Income:</b>					
Net capital (losses)/gains	2		(2,707,779)		420,895
Revenue	3	649,381		82,660	
<b>Expenses:</b>					
Interest and similar charges	4	(205,519)		(33,073)	
		-		(423)	
Net revenue before taxation		443,862		49,164	
Taxation	5	(88,923)		(10,146)	
Net revenue after taxation			354,939		39,018
Total return before distributions			(2,352,840)		459,913
Distributions	6		(354,939)		(39,018)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>(2,707,779)</b>		<b>420,895</b>

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31 December 2023

		31.12.23		31.12.22*	
	Note	£	£	£	£
<b>Opening net assets attributable to Shareholders</b>			6,738,292		-
Amounts receivable on issue of Shares		32,878,663		7,006,676	
Amounts payable on cancellation of Shares		(7,626,185)		(742,724)	
			25,252,478		6,263,952
Retained Distribution on accumulation Shares	6		412,200		53,445
Change in net assets attributable to Shareholders from investment activities			(2,707,779)		420,895
<b>Closing net assets attributable to Shareholders</b>			<b>29,695,191</b>		<b>6,738,292</b>

\*For the period from 29 April 2022 to 31 December 2022.

## ES BAKER STEEL ELECTRUM FUND

### BALANCE SHEET

As at 31 December 2023

	Note	£	31.12.23 £	£	31.12.22 £
<b>Assets</b>					
Fixed assets:					
Investments			28,832,117		6,475,560
<b>Current assets:</b>					
Debtors	7	202,923		61,143	
Cash and bank balances	8	<u>819,050</u>		<u>245,423</u>	
Total current assets			<u>1,021,973</u>		<u>306,566</u>
<b>Total assets</b>			<u>29,854,090</u>		<u>6,782,126</u>
<b>LIABILITIES</b>					
<b>Liabilities</b>					
<b>Creditors:</b>					
Other creditors	9	<u>(158,899)</u>		<u>(43,834)</u>	
Total creditors			<u>(158,899)</u>		<u>(43,834)</u>
<b>Total liabilities</b>			<u>(158,899)</u>		<u>(43,834)</u>
<b>Net assets attributable to Shareholders</b>			<u>29,695,191</u>		<u>6,738,292</u>

## ES BAKER STEEL ELECTRUM FUND

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

#### 1A. ACCOUNTING BASIS AND POLICIES

##### (a) Basis of accounting

The Financial Statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 “The Financial Reporting Standards Applicable in the UK and Republic of Ireland” and the Statement of Recommended Practice (“SORP”) for Financial Statements of UK Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017.

As described in the Certification of Financial Statements by Directors of the ACD on page 5, the ACD continues to adopt the going concern basis in the preparation of the Financial Statements of the Fund.

##### (b) Realised and unrealised gains and losses

Realised gains or losses have been calculated as the proceeds from disposal less book cost. Where realised gains or losses have arisen in previous years, a corresponding reversal of such previously recognised loss or gain is recognised in unrealised gains or losses.

Unrealised gain/losses are calculated with reference to the original recorded value of the asset or liability, and only the element of gain/loss within the accounting period is recorded in the Financial Statements. All unrealised and realised gains are capital in nature and do not form part of the Fund’s distributable income.

##### (c) Recognition of revenue

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex dividend and are recognised net of attributable tax credits.

Interest on bank and other cash deposits is recognised on an accruals basis.

All revenue includes withholding taxes but excludes irrecoverable tax credits.

##### (d) Treatment of stock and special dividends

The ordinary element of stock dividends received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax treatment follows the treatment of the principal amount.

##### (e) Treatment of expenses

Expenses are recorded on an accrual basis, but the Sub-Fund may incur additional allowable expenses which are charged as and when they are incurred.

Expenses of the Sub-Fund are charged against capital including the costs associated with the purchase and sale of investments.

Research fees are incurred for the purchase of third party research to assist the Investment Manager to make better investment decisions and enhance the performance of the Sub-Fund Further information is available on our website: <https://www.eqt.com.au/corporates-and-fund-managers/fund-managers/uk-and-europe/uk-and-europe>.

##### (f) Allocation of revenue and expenses to multiple Share Classes

Any revenue or expenses not directly attributable to a particular Share Class will normally be allocated pro rata to the net assets of the relevant Share Classes.

##### (g) Taxation

Tax is provided for using tax rates and laws which have been enacted or substantively enacted at the balance sheet date. Corporation tax is provided for on the income liable to corporation tax less deductible expenses.

Where tax has been deducted from revenue that tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

## ES BAKER STEEL ELECTRUM FUND

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2023

#### 1A. ACCOUNTING BASIS AND POLICIES *(continued)*

##### **(h) Distribution policy**

The net revenue after taxation, as disclosed in the Financial Statements, after adjustment for items of a capital nature, is distributable to Shareholders as dividend distributions. Any revenue deficit is deducted from capital.

In addition, the portfolio transaction charges will be charged wholly to the capital of the Sub-Fund. Accordingly, the imposition of such charges may constrain the capital growth of the Sub-Fund.

The ACD has elected to pay all revenue less expenses charged to revenue and taxation as a final distribution at the end of the annual accounting period.

##### **(i) Basis of valuation of investments**

Listed investments are valued at close of business bid prices excluding any accrued interest in the case of fixed interest securities, on the last business day of the accounting period.

Market value is defined by the SORP as fair value which is the bid value of each security. Collective Investment Schemes are valued at quoted bid prices.

All investments are recognised and derecognised on trade date, and any trades that occur between valuation point and close of business are included in the Financial Statements.

Derivative assets and liabilities are valued at fair value price at the Balance sheet date, using latest dealing prices, valuation from reliable sources (e.g. Bloomberg/Thomson Reuters) or an assessment of fair value based on specialist valuation (e.g. the Black Scholes valuation model which takes asset and market data to determine the fair price of an asset) and appropriate pricing models.

Non-observable entity specific data is only used where relevant observable market data is not available. Typically, this category will include single broker-priced instruments, suspended/unquoted securities, private equity, unlisted close-ended funds and open-ended funds with restrictions on redemption rights.

The ACD has a fair value policy in place. If fair value cannot be determined using the above techniques the ACD will revert to this policy to determine fair value of any applicable asset.

##### **(j) Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Sub-Fund's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

No critical judgements have been made by the ACD in applying the accounting policies of the Sub-Funds. Furthermore, there are no significant areas of estimation uncertainty affecting the carrying amounts of assets and liabilities as at the reporting date.

##### **(k) Exchange rates**

Transactions in foreign currencies are recorded in Sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into Sterling at the closing mid- market exchange rates ruling on that date.

##### **(l) Dilution Adjustment**

The ACD may require a dilution adjustment on the sale and redemption of Shares if, in its opinion, the existing Shareholders (for sales) or remaining Shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution adjustment may be charged in the following circumstances: where the scheme property is in continual decline; on a Fund experiencing large levels of net sales relative to its size; on 'large deals'; in any case where the ACD is of the opinion that the interests of remaining Shareholders require the imposition of a dilution adjustment.

## ES BAKER STEEL ELECTRUM FUND

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2023

#### 1A. ACCOUNTING BASIS AND POLICIES *(continued)*

##### **(m) Equalisation**

Equalisation applies only to Shares purchased during the distribution period (Group 2 Shares). It represents the accrued revenue included in the purchase price of the Shares.

After averaging it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the Shares for Capital Gains tax purposes.

#### 1B. RISK MANAGEMENT POLICIES

In pursuing the investment objectives, a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations.

The main risks from the Company's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed below:

##### **(a) Foreign currency risk**

A significant portion of the Company's assets or the equities in which the Company invests may be denominated in a currency other than the base currency of the Company or Class. There is the risk that the value of such assets and/or the value of any dividends from such assets may decrease if the underlying currency in which assets are traded falls relative to the base currency in which Shares of the relevant Sub-Fund are valued and priced.

It is not the intention of the Company to enter into any contracts to manage Currency Risk. All foreign currencies are exchanged into/out of Sterling without delay.

##### **(b) Interest rate risk profile of financial assets and liabilities**

The interest rate risk is the risk that the value of the Company's investments will fluctuate due to changes in the interest rate.

The manager manages this risk by maintaining a balanced portfolio with due consideration to interest rates.

The Company did not have any long term financial liabilities at the Balance Sheet date.

##### **(c) Credit risk**

The Company may find that companies in which it invests fail to settle their debts on a timely basis. The value of securities issued by such companies may fall as a result of the perceived increase in credit risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

##### **(d) Liquidity risk**

This is the risk that there is insufficient liquidity which would restrict a Sub-Fund's investment opportunities or ability to pay liabilities at short notice. This risk is managed by ensuring that overdrafts are monitored and maintained within investment limits and exposure to unquoted or illiquid securities is limited.

##### **(e) Market price risk**

Market price risk represents the potential loss the Sub-Fund may suffer through holding market positions in the face of price movements. The Sub-Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objectives and policies. Adherence to investment guidelines and avoidance of excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of stocks can mitigate market risk.

##### **(f) Counterparty risk**

Transactions in securities entered into by the Company give rise to exposure to the risk that the counterparties may not be able to fulfill their responsibility by completing their side of the transaction. The Investment Manager minimises this risk by conducting trades through only the most reputable counterparties.

Counterparty risk is also managed by limiting the exposure to individual counterparties through adherence to the investment spread restrictions included within the Company's prospectus and COLL.

## ES BAKER STEEL ELECTRUM FUND

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2023

#### 1B. RISK MANAGEMENT POLICIES *(continued)*

##### (g) Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot eliminate operational risks but, through the continual review and assessment of its control environment, by monitoring and responding to potential risks, they can be managed.

High level controls include effective segregation of duties, trade confirmation checking and reconciliation procedures, incident reporting and oversight of delegated functions.

##### (h) Leverage

In accordance with the IA SORP issued in May 2014 and amended in June 2017, as ACD we are required to disclose any leverage of the Sub-Fund. Leverage is defined as any method by which the Fund increases its exposure through borrowing or the use of derivatives (calculated as the sum of the net asset value and the incremental exposure through the derivatives and in accordance with the IA SORP commitment approach (CESR/10-788)) divided by the net asset value.

The Sub-Fund's exposure is defined with reference to the 'Commitment' method. Commitment method exposure is calculated as the sum of all positions of the Fund, after netting off derivative and security positions and is disclosed within the Financial Statements Note 13(d).

##### (i) Fair value of financial assets and financial liabilities and derivatives

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

#### 2. NET CAPITAL GAINS/(LOSSES)

	31.12.23 £	31.12.22 £
The net capital (losses)/gains during the year comprise:		
Non-derivative securities'	(2,163,896)	469,244
Currency loss	(477,135)	(33,664)
Transaction charges	(66,748)	(14,685)
<b>Net capital loss and gain</b>	<b><u>(2,707,779)</u></b>	<b><u>420,895</u></b>

#### 3. REVENUE

	31.12.23 £	31.12.22 £
Bank interest	32,111	1,569
Overseas Dividends	577,507	71,098
Franked UK Dividends	39,763	9,993
<b>Total revenue</b>	<b><u>649,381</u></b>	<b><u>82,660</u></b>



## ES BAKER STEEL ELECTRUM FUND

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2023

#### 4. EXPENSES

	31.12.23	31.12.22
	£	£
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD's fees	50,000	25,914
Investment Manager's fees	113,502	-
Administration fees	15,000	10,000
Registrar fees	6,711	1,096
Research fees	7,097	-
	<u>192,310</u>	<u>37,010</u>
<b>Payable to the Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary's fees	14,250	6,000
Safe custody fees	875	333
	<u>15,125</u>	<u>6,333</u>
<b>Other expenses:</b>		
Fees paid to auditor - audit of financial statements*	13,200	10,320
Fees paid for tax compliance services	4,200	4,236
FCA fees	508	364
KIID productions & distribution fees	3,912	2,793
Legal and professional fees	1,365	-
Other miscellaneous expenses	2,268	3,137
Expense Rebate**	(27,369)	(31,120)
	<u>(1,916)</u>	<u>(10,270)</u>
<b>Total expenses</b>	<u>205,519</u>	<u>33,073</u>

\*Audit fees for the period are £12,015 exclusive of VAT. The under accrual from 2022 was trued up in 2023.

\*\*The Expense Rebate applied due to limits on the expenses and expired on the date of the first anniversary of the Sub-Fund's launch at the end of April 2023. This rebate is paid by the Investment Manager.

#### 5. TAXATION

##### (a) The tax charge comprises

	31.12.23	31.12.22
	£	£
Overseas tax	88,923	10,146
<b>Total taxation (Note 5b)</b>	<u>88,923</u>	<u>10,146</u>

##### (b) Factors affecting the tax charge for the year

The tax charge for the year differs from the 20% rate of corporation tax applicable to Open-Ended Investment Companies (OEIC). The differences are explained below:

	31.12.23	31.12.22
	£	£
Net revenue before taxation	443,862	49,164
Net revenue for the period multiplied by the standard rate of corporation tax 20%	88,773	9,833
<b>Effects of:</b>		
Revenue not subject to corporation tax	(123,455)	(16,218)
Movement in excess management expenses	34,682	6,385
Overseas tax	88,923	10,146
<b>Total tax charge (Note 5 (a))</b>	<u>88,923</u>	<u>10,146</u>

## ES BAKER STEEL ELECTRUM FUND

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2023

#### 5. TAXATION *(continued)*

##### c) Provision for deferred tax

There is no provision required for deferred taxation at the Balance Sheet date in the current year.

At the year end, the Sub-Fund has unutilised management expenses of £205,333 (2022: £31,925) and a potential deferred tax asset of £41,067 (2022: £6,385) It is unlikely the Sub-Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset has been recognised in the year.

#### 6. FINANCE COSTS

##### Distributions

The distributions take into account revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	31.12.23	31.12.22
	£	£
<b>Accumulation:</b>		
Final distribution	412,200	53,445
<b>Total distribution</b>	<b>412,200</b>	<b>53,445</b>
Add: Revenue deducted on cancellation of shares	50,450	4,410
Deduct: Revenue received on issue of shares	(107,711)	(18,837)
<b>Net distributions for the year</b>	<b>354,939</b>	<b>39,018</b>
<b>Reconciliation of net revenue after taxation to distributions</b>		
Net revenue after taxation	354,939	39,018
<b>Net distributions for the year</b>	<b>354,939</b>	<b>39,018</b>

#### 7. DEBTORS

	31.12.23	31.12.22
	£	£
Accrued revenue	2,220	893
Amounts receivable on issue of shares	4,843	29,114
Stock sales awaiting settlement	168,203	-
Expense rebate receivable	23,936	31,120
Interest receivable	3,721	16
<b>Total debtors</b>	<b>202,923</b>	<b>61,143</b>

#### 8. CASH AND BANK BALANCES

	31.12.23	31.12.22
	£	£
Cash and bank balances	819,050	245,423
<b>Total cash and bank balances</b>	<b>819,050</b>	<b>245,423</b>

## ES BAKER STEEL ELECTRUM FUND

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2023

#### 9. OTHER CREDITORS

	<b>31.12.23</b>	<b>31.12.22</b>
	<b>£</b>	<b>£</b>
Purchases awaiting settlement	11,960	-
Accrued ACD's periodic charge	94,357	20,666
Research fees	3,735	-
Accrued Depositary's fees	9,504	1,700
Accrued expenses	38,430	21,460
Amounts payable for cancellation of shares	913	8
<b>Total creditors</b>	<b><u>158,899</u></b>	<b><u>43,834</u></b>

#### 10. RELATED PARTY TRANSACTIONS

The ACD is entitled to receive an annual fee of up to 6 basis points subject to an annual minimum fee of £50,000 from each Sub-Fund. Details are disclosed in note 4. Details of the shares created and cancelled by the ACD are shown in the Statement of Change in Shareholders' Net Assets.

As at 31 December 2023, the Directors of the ACD and the directors of other group companies of the ACD held Nil Shares (2022: Nil Shares) in the Sub-Fund with a total value of £Nil (2022: £Nil). As at the year end, a platform nominee held 89.23% (2022: 53.27%) of the outstanding shares of the Sub-Fund.

#### 11. SHARE CLASSES

The Sub-Fund currently has two Share Classes, the annual management charge for these are as follows:

B Accumulation Shares	1.00%
S Accumulation Shares	0.50%

The reconciliation of the opening and closing number of Shares of each class is shown below:

	<b>31.12.22</b>	<b>Issued</b>	<b>Redeemed</b>	<b>Converted</b>	<b>31.12.23</b>
B Accumulation Shares*	62,235	200,194	(177,849)	-	84,580
S Accumulation Shares**	7,025,312	35,782,560	(8,710,443)	-	34,097,429

The distribution per Share Class is given in the distribution tables on page 32.

#### 12. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There were no contingent liabilities or outstanding commitments at the Balance Sheet date (31 December 2022: Same).

## ES BAKER STEEL ELECTRUM FUND

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2023

#### 13. RISK DISCLOSURES

The main risks from the Sub-Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed in note 1B on pages 23 to 24.

##### (a) Foreign currency risk

31.12.23	Portfolio of Investments	Net other assets	Total
Currency:	£	£	£
Australian Dollar	3,628,282	-	3,628,282
Canadian Dollar	7,769,722	-	7,769,722
Euro	619,978	-	619,978
Norwegian Krone	1,385,081	-	1,385,081
US Dollar	12,749,034	2,220	12,751,254
Total foreign currency exposure	26,152,097	2,220	26,154,317
Sterling	2,680,020	860,854	3,540,874
<b>Total Net Assets</b>	<b>28,832,117</b>	<b>863,074</b>	<b>29,695,191</b>

31.12.22	Portfolio of Investments	Net other assets	Total
Currency:	£	£	£
Australian Dollar	1,716,639	-	1,716,639
Canadian Dollar	1,336,142	-	1,336,142
Euro	261,568	-	261,568
Norwegian Krone	346,814	-	346,814
US Dollar	1,816,864	894	1,817,758
South African Rand	137,463	-	137,463
Total foreign currency exposure	5,615,490	894	5,616,384
Sterling	860,070	261,838	1,121,908
<b>Total Net Assets</b>	<b>6,475,560</b>	<b>262,732</b>	<b>6,738,292</b>

If Sterling to foreign currency exchange rates has strengthened/increased by 10% as at Balance Sheet date, the Net Asset Value of the Sub-Fund would have increased by the following amounts set out in the table below. If Sterling to foreign currency exchange rates has weakened/decreased by 10% as at Balance Sheet date, the Net Asset Value of the Sub-Fund would have decreased by the following amounts set out in the table below.

These calculations assume all other variables remain constant.

	Increase	Decrease
	£	£
31.12.2023	2,615,432	2,615,432
31.12.2022	561,638	561,638

## ES BAKER STEEL ELECTRUM FUND

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2023

#### 13. RISK DISCLOSURES *(continued)*

##### (b) Interest rate risk profile of financial assets and liabilities

The only interest bearing financial assets of the Sub-Fund are bank balances, on which interest is calculated at a variable rate by reference to sterling bank deposit rates or the international equivalent.

31.12.23	Floating rate financial assets	Floating assets not carrying interest	Total
	£	£	£
<b>Asset:</b>			
Australian Dollar	-	3,628,282	3,628,282
Canadian Dollar	-	7,769,722	7,769,722
Euro	-	619,978	619,978
Norwegian Krone	-	1,385,081	1,385,081
US Dollar	-	12,751,254	12,751,254
Sterling	819,050	2,880,723	3,699,773
<b>Total</b>	<b>819,050</b>	<b>29,035,040</b>	<b>29,854,090</b>
<b>Liabilities:</b>			
	Floating rate financial assets	Floating assets not carrying interest	Total
	£	£	£
Pound Sterling	-	(158,899)	(158,899)
<b>Total</b>	<b>-</b>	<b>(158,899)</b>	<b>(158,899)</b>
<b>31.12.22</b>			
	Floating rate financial assets	Floating assets not carrying interest	Total
	£	£	£
<b>Asset:</b>			
Australian Dollar	-	1,716,639	1,716,639
Canadian Dollar	-	1,336,142	1,336,142
Euro	-	261,568	261,568
Norwegian Krone	-	346,814	346,814
US Dollar	-	1,817,758	1,817,758
South African Rand	-	137,463	137,463
Sterling	245,423	920,319	1,165,742
<b>Total</b>	<b>245,423</b>	<b>6,536,703</b>	<b>6,782,126</b>
<b>Liabilities:</b>			
	Floating rate financial assets	Floating assets not carrying interest	Total
	£	£	£
Pound Sterling	-	(43,834)	(43,834)
<b>Total</b>	<b>-</b>	<b>(43,834)</b>	<b>(43,834)</b>

The Sub-Fund does not have any significant direct exposure to interest rates risk and as such no sensitivity analysis has been presented.

The floating rate financial assets and liabilities comprise bank balances which earn or pay interest at rates linked to the UK base rate.

There are no material amounts of non-interest bearing financial assets and liabilities, other than collective investment schemes, which do not have maturity dates.

## ES BAKER STEEL ELECTRUM FUND

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2023

#### 13. RISK DISCLOSURES *(continued)*

##### (c) Market Risk

If market prices had increased by 10% as at the Balance Sheet date, the Net Asset Value of the Sub-Fund would have increased by the following amounts set out in the tables below.

If market prices had decreased by 10% as at the Balance Sheet date, the Net Asset Value of the Sub-Fund would have decreased by the following amounts set out in the tables below.

These calculations have been applied to non-derivative securities only (see note 1B (h) for an explanation of the Fund's leverage during the year). These calculations assume all other variables remain constant.

	<b>Increase</b>	<b>Decrease</b>
	<b>£</b>	<b>£</b>
31.12.2023	2,883,212	2,883,212
31.12.2022	647,556	647,556

##### (d) Leverage

The Sub-Fund did not employ any significant leverage as at 31 December 2023, other than that available to the Sub-Fund as a result of its ability to borrow up to 10% of its value on a permanent basis.

#### 14. PORTFOLIO TRANSACTION COSTS

The following tables show portfolio transactions and their associated transaction costs. For more information about the nature of these costs please refer to the additional portfolio transaction cost information on page 14 and 15.

	£	31.12.23 £	£	31.12.22 £
<b>Analysis of total purchase costs:</b>				
Purchase in year before transaction costs				
Equities		47,247,123		9,743,895
Investment Funds		838,704		66,188
		<u>48,085,827</u>		<u>9,810,083</u>
<b>Commissions:</b>				
Equities	54,125		12,620	
Investment Funds	498		74	
<b>Total Purchase costs</b>	<u>54,623</u>		<u>12,694</u>	
<b>Gross purchase total</b>		<u>48,140,450</u>		<u>9,822,777</u>
<b>Analysis of total sale costs:</b>				
Gross sales in year before transaction costs				
Equities		22,108,154		3,770,258
Investment Funds		979,178		-
		<u>23,087,332</u>		<u>3,770,258</u>
<b>Commissions:</b>				
Equities	(11,636)		(1,991)	
Investment Funds	(489)		-	
<b>Total sale costs</b>	<u>(12,125)</u>		<u>(1,991)</u>	
<b>Total sales net of transaction costs</b>		<u>23,075,207</u>		<u>3,768,267</u>

## ES BAKER STEEL ELECTRUM FUND

### NOTES TO THE FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2023

#### 14. PORTFOLIO TRANSACTION COSTS *(continued)*

##### Transaction costs as percentage of principal amounts

Purchases - Commissions		
Equities	0.11	0.13
Investment Funds	0.00	0.00
Sales - Commissions		
Equities	0.05	0.05
Investment Funds	0.00	-

##### Transaction costs as percentage of average net asset value

Commissions	0.29	0.30
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The portfolio dealing spread as at 31 December 2023 was 0.26% (31 December 2022: 0.71%).

#### 15. FAIR VALUE DISCLOSURE

There is no material difference between the carrying values and the fair values of the financial assets and liabilities of the Sub-Fund disclosed in the Balance Sheet where applicable.

Valuation technique	31.12.23		31.12.22	
	Assets £	Liabilities £	Assets £	Liabilities £
Level 1: The unadjusted quoted price in an active market for identical assets or liabilities	28,527,470	-	6,400,391	-
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly	304,647	-	75,169	-
Level 3: Inputs are unobservable (i.e. for which market data in unavailable) for the asset or liability	-	-	-	-
	<b>28,832,117</b>	<b>-</b>	<b>6,475,560</b>	<b>-</b>

#### 16. CASHFLOW EXEMPTION

The Company is taking advantage of the cash flow exemption under FRS 102 7,1A and IA SORP 2.5. The Fund meets the cash flow exemption requirements of the IMA SORP.

- substantially all of the entity's investments are high liquid;
- substantially all of the entity's investments are carried at fair value; and
- the entity provides a statement of change in net assets.

#### 17. POST BALANCE SHEET EVENTS

On 20 March 2024, the net asset value per share for Share Class S GBP Accumulation was 0.7990 and Share Class B GBP Accumulation was 0.8507, which represents a post year end price movement of (8.00%) and (8.11%) respectively.

Refer to page 5 for Important Events post year end.

There were no other post Balance Sheet events since 31 December 2023.

## ES BAKER STEEL ELECTRUM FUND

### DISTRIBUTION TABLE

For the year ended 31 December 2023

Group 1 Shares purchased prior to 1 January 2023.

Group 2 Shares purchased on or after 1 January 2023 to 31 December 2023.

Final dividend distribution in pence per share

<b>Accumulation Shares</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Payable 28.02.24</b>	<b>Paid 28.02.23</b>
Class B Accumulation	0.5034	0.3591	0.8625	0.3884
Class S Accumulation	0.9060	0.3007	1.2068	0.7573

### EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.



## **ES BAKER STEEL GLOBAL INVESTORS OEIC**

### **GENERAL INFORMATION**

#### **The Company**

The ES Baker Steel Global Investors OEIC is an Open-Ended Investment Company with Variable Capital ("ICVC"). The Company is authorised in the United Kingdom by the Financial Conduct Authority ("FCA") pursuant to Regulation 14 of the OEIC Regulations with number IC069764. The effective date of the Authorisation Order made by the FCA was 31 March 2022.

#### **The Authorised Corporate Director ('ACD')**

The ACD is Equity Trustees Fund Services Limited, a private company incorporated with limited liability in England under the Companies Act 1985. Its registered office and head office are situated at 4th Floor Pountney Hill House, 6 Laurence Pountney Hill, London, EC4R 0BL.

The ACD is authorised and regulated to carry on regulated activities in the United Kingdom by virtue of its authorisation by the FCA.

#### **The Depositary**

The Depositary acts as the custodian for all assets relating to the Company. The Depositary as at the Company year-end was CACEIS UK Trustee and Depositary Services Limited, Broadwalk House, 5 Appold Street, London EC2A 2DA.

The Depositary is authorised and regulated by the Financial Conduct Authority, the Prudential Regulation Authority and Autorite de Controle Prudentiel et de Resolution.

#### **The Investment Manager**

The Investment Manager to the Company is Baker Steel Capital Managers LLP, 34 Dover Street, London W1S 4NG.

#### **Prospectus**

Copies of the Company's Prospectus are available free of charge from the ACD upon request and can also be downloaded from [www.equitytrustees.com](http://www.equitytrustees.com).

#### **Share Type**

ES Baker Steel Electrum Fund issues Income and Accumulation Shares.

#### **Pricing and Dealing**

The Company is valued on a mid-market basis, with daily single prices appearing on the Equity Trustees Services Limited website [www.equitytrustees.com](http://www.equitytrustees.com).

Shares in the Company are "single priced". This means that subject to the preliminary charge, redemption charge and any applicable dilution levy, the price of a Share for both buying and selling purposes will be the same and determined by reference to a particular Valuation Point.

Shares may be bought and sold on any business day by contacting your stockbroker, or by application in writing to FNZ Transfer Agency Services Limited, Level 7, 2 Redman Place, Stratford, London, E20 1JQ. All transactions will be dealt on a forward pricing basis, i.e. at the next valuation point following receipt of a valid application.

Contract notes are issued for all purchases and sales of shares and will be dispatched within 24 hours of the next valuation point following receipt of application.

The shares of the Company are non-certificated.

#### **Distribution Policy**

Where net revenue is available it will be distributed to holders of income share classes and retained for holders of accumulation share classes. Distribution rates will be calculated on the annual accounting dates of 31 December.

## ES BAKER STEEL GLOBAL INVESTORS OEIC

### GENERAL INFORMATION *(continued)*

#### **Dilution**

The actual cost to the Company of purchasing or selling its investments may be higher or lower than the mid-market value used in calculating the unit price, e.g. due to dealing charges or through dealing at prices other than the mid-market price. In normal circumstances these costs are charged to the Company. Under certain circumstances (e.g. large volumes of deals) this may have an adverse effect on the interests of shareholders generally. In order to prevent this effect, called 'dilution', the ACD has the power to charge a dilution adjustment on the sale and/or redemption of units. The dilution adjustment will be applied at outset and will be paid into and will become part of the Company. The dilution adjustment for the Company will be calculated by reference to the costs of dealing in the underlying investments of the Company, including any dealing spreads, commission and transfer taxes. The ACD reserves the right, however, to impose a dilution levy at its absolute discretion on any or all deals, should this prove necessary in the opinion of the ACD, to protect the interests of the Shareholders.

#### **Management Charges**

The Annual Management Charge for B Net Accumulation is 1.00%.

The Annual Management Charge for S Net Accumulation is 0.50%

#### **Reports**

Reports will be made available to all shareholders on an annual and half-yearly basis.

Copies are available free on request from the ACD, and are also published on the Company's website: [www.equitytrustees.com](http://www.equitytrustees.com).

#### **Publication of Prices**

The price of shares in the sub-fund are quoted daily on the web pages of Financial Express at [www.fundlistings.com](http://www.fundlistings.com).

#### **Taxation**

Income earned by shareholders from the Company is liable to UK Income Tax at the rate applicable for the individual shareholders. Tax Certificates will be issued annually with the valuation in April and will carry a credit for Income Tax.

#### **Capital Gains Tax**

As an ICVC, the Company is exempt from UK Capital Gains tax. An individual's first £6,000 of net gains on disposals in the 2023/2024 tax year are exempt from tax. Gains in excess are subject to a rate of tax dependent on an individual's total annual taxable income.

#### **Value Added Assessment**

Effective from 30 September 2019 the FCA has introduced Value Added Assessment requirements for Authorised Fund Managers to conduct a Value Assessment on each fund they managed. The assessment for our fund is available on our website at [www.equitytrustees.com](http://www.equitytrustees.com).

#### **Important Information**

It is important to remember that the price of shares, and the income from them, can fall as well as rise and it is not guaranteed that investors will get back the amount originally invested. Past performance is not a guide to future performance. Changes in the rate of exchange of currencies, particularly where overseas securities are held, may also affect the value of your investment. The issue of shares may be subject to an initial charge and this is likely to have an impact on the realisable value of your investment, particularly in the short term. You should always regard an ICVC investment as long term.

Past performance is not a reliable indicator to future performance. Neither income nor capital is guaranteed. Dealing charges and the bid /offer spread on the underlying securities in ES Baker Steel Global Investors OEIC could have the effect that investors would not achieve the indicative returns stated. Changes in exchange rates may also cause the value of investments to go down as well as up.

Please note shareholders are not liable for debts of the Company.