

# The World Markets Umbrella Fund plc

## Interim Report and Unaudited Condensed Financial Statements

For the financial period ended 31 July 2023



**CITY OF LONDON**  
Investment Management Company Limited

# Contents

# Page

Management and Administration	1
Investment Manager's Report	
The Emerging World Fund	2
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	8
Statement of Cash Flow	9
Notes forming part of the Financial Statements	10
Portfolio Statement	27
Significant Portfolio Movements	29
Supplemental Information	30



# MANAGEMENT AND ADMINISTRATION

## REGISTERED OFFICE

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2nd Floor, Block E Iveagh Court  
Harcourt Road, Dublin 2, Ireland

## DIRECTORS OF THE COMPANY

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Mark Dwyer (British)  
Josephine Kitcher (British)  
Kevin Molony (Irish) (Independent) (Chairman)  
Patricia Taylor (Irish)

*All Directors are non-executive.*

## PROMOTER & INVESTMENT MANAGER

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**City of London Investment Management Company Limited**  
77 Gracechurch Street, London EC3V 0AS, England

## MANAGER

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**Carne Global Fund Managers (Ireland) Limited**  
2nd Floor, Block E Iveagh Court, Harcourt Road, Dublin 2, Ireland

## ADMINISTRATOR

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**BNY Mellon Fund Services (Ireland) Designated  
Activity Company**  
One Dockland Central, Guild Street  
IFSC, Dublin 1, Ireland

## REGISTRAR AND TRANSFER AGENT

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**BNY Mellon Fund Services (Ireland) Designated  
Activity Company**  
Wexford Business Park, Rochestown  
Wexford Y35 VY03, Ireland

## AUDITOR

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**KPMG**  
Chartered Accountants and Statutory Audit Firm  
85 South Mall, Cork  
Ireland

## DEPOSITARY

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**The Bank of New York Mellon SA/NV, Dublin Branch**  
Riverside II, Sir John Rogerson's Quay  
Grand Canal Dock  
Dublin 2, Ireland

## SECRETARY

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**Carne Global Financial Services Limited**  
2nd Floor, Block E Iveagh Court  
Harcourt Road, Dublin 2, Ireland

## LEGAL ADVISORS

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**William Fry Solicitors**  
6th Floor, 2 Grand Canal Square  
Dublin 2, Ireland

## THE EMERGING WORLD FUND ("EWF")

### EWF Market Review

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In the six-month period under review global equities were generally buoyant on the back of a rally in technology stocks and hopes that the US Federal Reserve ("Fed") was approaching peak rates, offsetting banking crisis fears. Indeed, the collapse of Silicon Valley Bank and the acquisition of Credit Suisse by UBS in March raised concerns over the health of the global financial system. These fears were allayed once policymakers provided support. Meanwhile, the Fed briefly paused its tightening cycle at the June meeting but maintained a hawkish message by revising up the dot plot projections to show a median terminal rate of 5.625% for end-2023. The Fed followed up with a 25 basis points ("bps") hike to 5.25-5.50% at its July meeting and pushed back against suggestions of rate cuts for this year. As such, the US 2-year and 10-year Treasury yields rose by 67 bps and 45 bps respectively between February and July. In addition, hopes of a strong rebound in China following the lifting of COVID-19 restrictions were dashed as economic activity quickly lost steam. Commodity prices therefore struggled, with the Bloomberg Commodity TR Index declining by 1.5%. Brent crude prices ended July at \$85.6 per barrel. One significant positive catalyst over the six months was the improving sentiment for the technology sector after upbeat sales guidance from Nvidia spurred optimism surrounding artificial intelligence ("AI").

Emerging market ("EM") equities, as measured by the MSCI EM Net TR Index, rose by 3.3% in US dollar terms from February to July, while developed market ("DM") equities, measured by MSCI World Net TR Index, gained 11.1%. The strong performance of technology stocks, which are concentrated in DM, can partly explain EM's underperformance. The MSCI EM Currency Index was flat over the period as the US dollar (DXY Index) struggled to find direction.

China was the weakest EM over the period as the economic recovery disappointed, and geopolitical tensions with the US intensified following reports that the Biden administration was looking into measures to curtail investment into selected technology sectors. Chinese equities gained ground in July after stimulus measures were unveiled at the Politburo meeting. The MSCI China Index fell 6.3% in US dollar terms from February to July. Elsewhere in Emerging Asia, the MSCI Indices for South Korea and Taiwan gained 8.4% and 7.3% in US dollar terms respectively on the back of technology sector optimism. Information Technology was the second-best performing EM sector after Energy. India's stock market rallied as the Reserve Bank of India appeared to reach the end of its tightening cycle, a view supported by the fact that CPI came in below consensus expectations during April-June. The MSCI India Index rose by 11.6% in US dollar terms.

Latin America was the strongest region over February to July, outperforming the wider EM benchmark by 10.2% points. Peru, Brazil and Mexico contributed to this outturn, with their MSCI Indices rising by 19.2%, 14.6% and 13.6% in US dollar terms respectively. Brazil's stock market rallied as expectations for monetary easing took hold and talks on tax reform gained traction. In Mexico, the resilience of US economic data supported equity performance given how intertwined the two economies are.

## EWF Portfolio

### Top Ten Holdings as at 31 July 2023

		Total Net Assets %
1	Templeton Emerging Markets Investment Trust Plc	9.49
2	Taiwan Fund Inc.	5.87
3	JPMorgan Indian Investment Trust Plc	5.38
4	JPMorgan Emerging Markets Investment Trust Plc	4.92
5	Utilico Emerging Markets Trust Plc	4.07
6	Fidelity Emerging Markets Ltd.	3.93
7	Schroder AsiaPacific Fund Plc	3.85
8	Asia Dragon Trust Plc	3.80
9	Aberdeen Asia Focus Plc	3.37
10	Templeton Dragon Fund Inc.	3.13
		<b>47.81</b>

*This is provided for information purposes only and should not be construed as investment advice to buy or sell any securities.*

*Source: City of London Investment Management Company Limited*

## EWF Performance

During the six-month period under review, the price of EWF (the “Fund”) rose 0.96%, whilst the Fund’s benchmark, the dollar-adjusted S&P Emerging Frontier Super Composite Net Total Return Broad Market Index (“S&P Super BMI”) rose 4.66% and the dollar-adjusted MSCI Emerging Markets Net Total Return Index (“MSCI EM Index”) rose 3.26%. Underperformance was due to the discount movements\* and NAV performances of the Fund’s underlying holdings, whilst country allocation versus the benchmark index was positive. During the twelve-month period to 31 July 2023, the price of the Fund rose 7.03%, whilst its benchmark rose 9.72% and the MSCI EM Index rose 8.35%. Please note attribution is shown gross of fees, whilst performance is shown net of fees.

*Historical net returns are based on an investment management fee of 1% per annum; as of 6 February 2022, as of 7 February 2022, the investment fee changed to 0.95% per annum for Institutional share classes.*

*\*Discount movements reflect the value added from the changes in discount levels of the Fund’s underlying holdings.*

# Investment Manager's Report (continued)

## Performances in U.S. Dollar (US\$) for all periods ended 31 July 2023 (net)

	EWF Price	S&P Super BMI	MSCI EM Index
6 Months	+0.96%	+4.66%	+3.26%
12 Months	+7.03%	+9.72%	+8.35%
Since Inception*	+891.84%	+746.43%	+653.59%

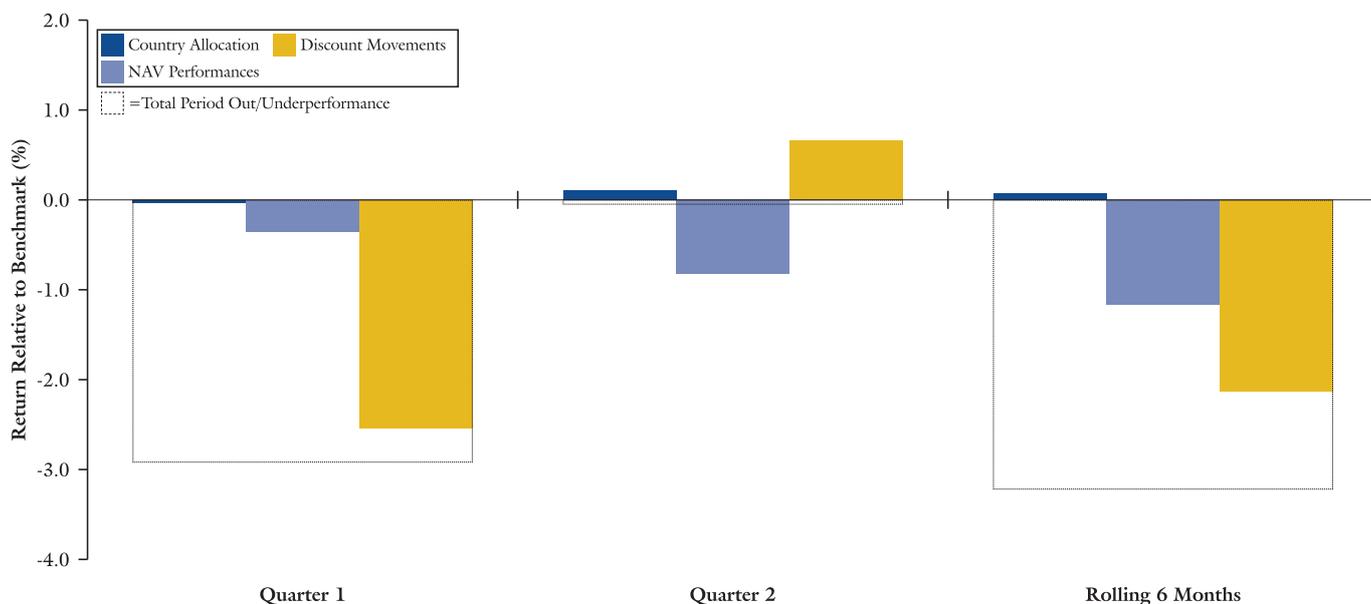
These figures are net returns. Historical figures are based on an investment management fee of 1% per annum to 6 February 2022; as of 7 February 2022, investment fee changed to 0.95% per annum for institutional share classes.

\*15 September 1998.

Past performance is no guarantee of future results.

Source: City of London Investment Management Company Limited, S&P, Bloomberg, MSCI

## EWF Attribution Chart from 1 February 2023 to 31 July 2023 (gross)



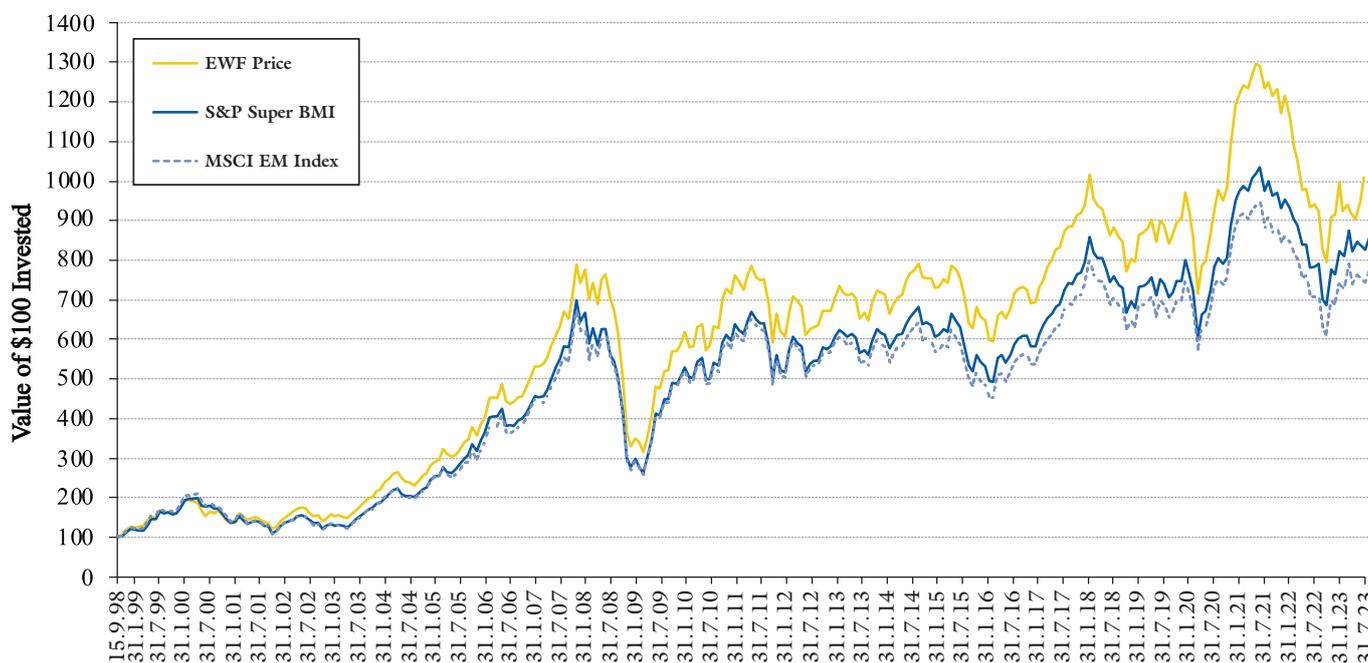
The above figures have been rounded and are presented as gross of fees performance figures, which do not reflect the deduction of investment management fees. The actual return is reduced by the investment management fees and any other expenses the Fund may incur in the management of the account. Performances for the Quarter and Rolling 6 Months are compounded and therefore will not always equal the sum of the individual component months.

Past performance is no guarantee of future results.

Source: City of London Investment Management Company Limited, S&P

## Investment Manager's Report (continued)

### EWF Performance (net) compared to the S&P Super Composite Net Total Return BMI and MSCI EM Index (US\$)\* Since inception (rebased from inception, where 15 September 1998=100)



These figures are net returns. Historical figures are based on an investment management fee of 1% per annum to 6 February 2022; as of 7 February 2022, investment fee changed to 0.95% per annum for Institutional share classes.

\*The benchmark was changed from the S&P Emerging BMI Plus on January 1, 2009 to better reflect the investment strategy of the Fund. The S&P Emerging BMI Plus was the successor index to the S&P/IFC Global Composite Index, the benchmark for the Fund prior to September 1, 2008, which has been discontinued. Benchmark changes have not been applied retroactively and therefore historical benchmark performance is a blend of the BMI and IFC indices. The MSCI Emerging Markets Net Total Return Index (MSCI EM Index) is shown for comparative purposes.

Past performance is no guarantee of future results.

## EWF Investment Outlook

Green shoots are emerging for global equities as economic activity has proven much more resilient than initially feared. Additionally, disinflation took hold in DM, raising hopes that central banks are closer to reaching their terminal policy rate. Nonetheless, inflation rates are still above central bank targets, which suggests policy will remain tight. Combined with the lagged impact of prior monetary tightening, a slowdown in DM activity is likely over the next six to twelve months, particularly in the eurozone.

In EM, China's faltering post-lockdown recovery prompted the authorities to unveil new stimulus measures. A stabilisation in China's growth momentum should lift EM equities. The eventual end to the Fed's tightening policy and the associated softer US dollar should support EM. In the medium term, EM equities are well placed to gain from themes such as AI and nearshoring. In addition, the global energy transition is likely to shift demand to copper, nickel and lithium, benefiting the likes of Chile, Peru, Mexico and Indonesia.

The International Monetary Fund revised up their forecasts in the July World Economic Outlook and now expects global growth to ease from 3.5% year-on-year in 2022 to 3.0% this year. The slowdown is concentrated in DM, where a growth outturn of 1.5% is anticipated this year. In contrast, EM is expected to grow 4.0%, driven mainly by China and India. As such, EM Asia is projected to grow by 5.3%, leaving it as the strongest EM region. Commodity exporters are unlikely to fare as well given softer commodity prices after last year's war-induced surge. Therefore, this year's growth in Latin America and the Middle East and Central Asia is forecast to drop to 1.9% and 2.5% respectively.

City of London Investment Management Company Limited  
August 2023

## Statement of Financial Position

	Notes	EWF As at 31 July 2023 US\$	EWF As at 31 January 2023 US\$
<b>Assets</b>			
Deposits with credit institutions	3	1,777,898	2,943,149
Receivables	4	131,745	418,443
		<u>1,909,643</u>	<u>3,361,592</u>
Financial assets at fair value through profit or loss			
- Transferable securities	2, 14	147,604,354	144,578,081
		<u>147,604,354</u>	<u>144,578,081</u>
<b>Total Assets</b>		<u>149,513,997</u>	<u>147,939,673</u>
<b>Liabilities</b>			
Payables (due within one year)	5	(278,851)	(940,880)
<b>Total liabilities</b>		<u>(278,851)</u>	<u>(940,880)</u>
<b>Net assets attributable to holders of redeemable participating shares</b>		<u>149,235,146</u>	<u>146,998,793</u>

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

## Statement of Comprehensive Income

		EWF For the financial year ended 31 July 2023 US\$	EWF For the financial year ended 31 July 2022 US\$
<b>Income</b>			
Bank interest income		18,783	702
Dividend income		1,190,244	1,090,720
Net gains/(losses) on financial assets at fair value through profit or loss	6	1,170,172	(32,243,280)
<b>Net investment income/(deficit)</b>		<u>2,379,199</u>	<u>(31,151,858)</u>
<b>Expenses</b>			
Investment management fees	7	689,637	714,026
Manager fees	8	22,701	21,511
Administration fees	9	79,591	79,591
Depositary fees	10	38,274	39,032
Directors' fees	11	27,027	24,254
Audit fees		16,954	15,087
Miscellaneous expenses	12	68,077	43,796
<b>Total expenses</b>		<u>942,261</u>	<u>937,297</u>
<b>Net profit/(loss) before taxation</b>		1,436,938	(32,089,155)
Withholding taxes rebated/(charged) on dividends		(24,531)	6,562
<b>Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations</b>		<u>1,412,407</u>	<u>(32,082,593)</u>

The Company had no recognised gains or losses in the financial period other than those dealt with in the Statement of Comprehensive Income. All amounts above relate to continuing operations.

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

## Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares

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	EWF For the financial year ended 31 July 2023 US\$	EWF For the financial year ended 31 July 2022 US\$
Net assets attributable to holders of redeemable participating shares at start of financial period	146,998,793	166,812,407
Proceeds from issuance of shares	1,131,845	2,521,396
Cost of shares redeemed	(307,899)	(814,302)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	1,412,407	(32,082,593)
Net assets attributable to holders of redeemable participating shares at end of the financial period	<u>149,235,146</u>	<u>136,436,908</u>

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

# Statement of Cash Flow

	EWF For the financial year ended 31 July 2023 US\$	EWF For the financial year ended 31 July 2022 US\$
<b>Cash flows from operating activities</b>		
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	1,412,407	(32,082,593)
Bank interest income	(18,783)	(702)
Dividend income	(1,190,244)	(1,090,720)
Withholding taxes	24,531	(6,562)
	<u>227,911</u>	<u>(33,180,577)</u>
(Increase)/decrease in other receivables and accrued income	-	(3,724)
(Increase)/decrease in receivable for investments sold	(45,446)	(146,916)
Increase/(decrease) in payable for investments purchased	(667,600)	(65,269)
Increase/(decrease) in other payables and accrued expenses	5,571	(156,405)
(Increase)/decrease in financial assets at fair value through profit or loss	(3,026,273)	29,859,974
<b>Cash from/(used in) operations</b>	<u>(3,505,837)</u>	<u>(3,692,917)</u>
Bank interest income received	18,783	702
Dividend income received	1,497,857	1,402,860
<b>Net cash from/(used in) operating activities</b>	<u>(1,989,197)</u>	<u>(2,289,355)</u>
<b>Cash flow from financing activities</b>		
Proceeds from redeemable shares issued	1,131,845	2,521,396
Redemption of redeemable shares	(307,899)	(814,302)
<b>Net cash from/(used in) financing activities</b>	<u>823,946</u>	<u>1,707,094</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(1,165,251)	(582,261)
Cash and cash equivalents at beginning of financial period*	2,943,149	2,748,659
<b>Cash and cash equivalents at end of financial period*</b>	<u>1,777,898</u>	<u>2,166,398</u>
<b>Supplementary Information</b>		
Dividend received	1,562,145	1,417,069
Bank interest received	18,783	702
Bank interest paid	-	-
Taxation paid	(68,706)	(37,356)

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

\*Cash and Cash Equivalents is made up entirely of Deposits with Credit Institutions.

# Notes forming part of the Financial Statements

## 1. General Information

The World Emerging Markets Umbrella Fund plc was incorporated on 6 August 1998 as an open-ended investment company with variable capital and limited liability under the laws of the Republic of Ireland under registration number 291789. Effective 27 November 2006, the Company changed its name to “The World Markets Umbrella Fund plc” (the “Company”). The Company qualifies and is authorised by the Central Bank of Ireland (the “Central Bank”) as an Undertaking for Collective Investment in Transferable Securities (“UCITS”) for the purposes of the European Communities (Undertakings for Collective Investments in Transferable Securities) Regulations 2011, as amended (the “UCITS Regulations”) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the “Central Bank UCITS Regulations”).

The Company is an externally-managed investment company and Carne Global Fund Managers (Ireland) Limited (the “Manager”) act as the UCITS management company of the Company. The Manager is authorised by the Central Bank of Ireland to act as a management company of a UCITS pursuant to the UCITS Regulations.

Details of the Company’s fund (the “Sub-Fund”) is as follows:

	<b>Commencement date</b>
The Emerging World Fund (“EWF”) or (the “Fund”)	15 September 1998

### *Investment Objective*

The investment objective of the Fund is to provide a vehicle through which investors may place their capital in a variety of emerging markets to achieve long term capital growth.

### *Prospectus and Supplement*

The Company’s prospectus and EWF supplement (the “Prospectus Documents”) can be obtained from BNY Mellon Fund Services (Ireland) Designated Activity Company (the “Administrator”).

There was a second Addendum to the Prospectus, dated 20 July 2023, which details new website links throughout the Investment Manager's website and the amendments to the Company's Articles of Association.

The Directors do not recommend a payment of the dividend in respect of the Fund. Accordingly, income and capital gains arising in respect of the Fund will be reinvested in the Fund and reflected in the net asset value per share of the Fund.

## 2. Principal Accounting Policies

### **Basis of Preparation**

The interim condensed financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Statements” and Irish statute comprising the UCITS Regulations and the Central Bank UCITS Regulations. The condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 January 2023.

The significant accounting policies adopted by the Company for the financial period ended 31 July 2023 are consistent with those adopted for the financial year ended 31 January 2023.

The financial statements have been prepared on a historical cost basis except for financial assets and financial liabilities held at fair value through profit or loss, that have been measured at fair value. All references to net assets throughout the financial statements refer to net assets attributable to holders of redeemable participating shares unless otherwise stated.

### 2. Principal Accounting Policies (continued)

#### Basis of Preparation (continued)

##### *Use of judgement and estimates*

In preparing these financial statements, judgements, estimates and assumptions have been made that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The Directors and the Manager believe that the estimates utilised in preparing the financial statements are reasonable and prudent. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The format of the Statement of Financial Position and the Statement of Comprehensive Income has been amended from those set out in the Companies Act 2014 to reflect the nature of the Company's operations. The Directors and the Manager have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the Directors and the Manager are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

##### *Financial Assets at Fair Value through Profit or Loss*

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in accordance with IFRS 13, Fair Value Measurement ("IFRS 13").

##### *(i) Classification and initial recognition*

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets and collect contractual cash flows; and
- The contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are classified as measured at FVTPL.

The Company classifies its investments based on both the Company's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The determination of the objective of the business model applicable to financial assets is based on the relevant information on how the business is managed, such as the Fund's documented investment strategy, the evaluation of the Fund's performance, risk management and the level of portfolio turnover within the Fund.

### 2. Principal Accounting Policies (continued)

#### Basis of Preparation (continued)

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

##### *(i) Classification and initial recognition (continued)*

The Company has classified its financial assets and financial liabilities into the following categories:

##### **Financial assets at fair value through profit or loss**

Investment in transferable securities - these financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

##### **Financial assets at amortised cost**

Deposits with credit institutions and receivables, which are held to collect contractual cash flows. These financial assets are recognised initially at fair value and subsequently measured at amortised cost using effective interest rate, less any impairment provision.

##### **Financial liabilities at amortised cost**

Payables due within one year.

##### *(ii) Recognition*

The Company recognises financial assets and financial liabilities when all significant rights and access to the benefits from the assets and the exposure to the risks inherent in those benefits are transferred to the Company.

Financial assets and financial liabilities at FVTPL are recognised initially on the trade date, which is the date the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date they are originated. Financial assets and financial liabilities at FVTPL are recognised initially at fair value, with transaction cost recognised in the Statement of Comprehensive Income. Financial assets or financial liabilities not at FVTPL are recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue.

##### *(iii) Measurement*

The fair value of financial instruments traded in active markets is based on quoted valuation at the Statement of Financial Position date. The quoted market price used for financial assets held by the Company is the closing mid market price or the last traded price when no closing mid-market price is available. Gains and losses arising from changes in the fair value of the FVTPL category are included in the Statement of Comprehensive Income in the financial period in which they arise. Stocks in liquidation and those securities which are not priced using quoted valuation are valued in strict accordance with internal fair value procedures which require documentary verification of the basis of valuation, as well as independent review, adherence to which is checked regularly by the Compliance Department of the Investment Manager.

##### *(iv) Impairment*

The Company recognises loss allowances for Expected Credit Losses ("ECLs") on financial assets measured at amortised cost. A financial asset or a group of financial assets is "impaired" if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset(s) and the loss event(s) had an impact on the estimated future cash flows of the asset(s) than can be estimated reliably.

### 2. Principal Accounting Policies (continued)

#### Basis of Preparation (continued)

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

##### *(iv) Impairment (continued)*

Objective evidence that financial assets are impaired includes significant financial difficulty of the borrower or issuer default or delinquency by a borrower restructuring of the amount due on terms that the Company would not otherwise consider, indication that a borrower or issuer will enter bankruptcy, or adverse changes in the payment status of the borrowers.

The Company recognises loss allowances for Expected Credit Losses ("ECLs") on financial assets measured at amortised cost. At each reporting date, the Company shall measure the loss allowance on financial assets measured at amortised cost at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses.

The Company measures credit risk and expected credit loss on financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. Significant financial difficulties of a debtor/counterparty, probability that a debtor/counterparty will enter bankruptcy or financial reorganisation, and default payments are all considered indicators that a loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, interest will be calculated based on the gross carrying amount adjusted for the loss allowance.

Impairment losses are recognised in the Statement of Comprehensive Income and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. If an event occurring after the impairment was recognised causing the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through the Statement of Comprehensive Income.

The Company has financial assets measured at amortised cost which include deposits with credit institutions and receivables. These are deemed to have a low credit risk at the reporting date, based on an assessment of quantitative and qualitative information and historic analysis of payment patterns. Hence, the Company has determined that no recognition is required in these financial statements for twelve month or lifetime expected credit losses.

##### *(v) De-recognition*

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of the ownership and does not retain control of the financial asset.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is de-recognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the Statement of Comprehensive Income. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. The Company de-recognises a financial liability when its contractual obligations are discharged, cancelled or expired.

### 2. Principal Accounting Policies (continued)

#### Basis of Preparation (continued)

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

##### (vi) *Offsetting Financial Instruments*

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company has the legal right to offset the amounts and it intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

##### (vii) *Specific Instruments*

##### (a) *Deposits with Credit Institutions*

Deposits with credit institutions comprise cash in hand and deposits repayable on demand with any qualifying financial institution. These deposits are considered repayable on demand if they can be withdrawn at any time without notice and without penalty or if a maturity or period of notice of not more than twenty four hours has been agreed.

##### (b) *Financial Derivative Instruments ("FDI")*

The Company may, where permitted, on behalf of the Fund and subject to the conditions and within the limits laid down by the Central Bank and the Prospectus, employ techniques and instruments relating to transferable securities, including investments in FDI. Such techniques and instruments may be used for efficient portfolio management purposes, or to provide protection against exchange risk or for direct investment purposes, where applicable. Such techniques and instruments may include, but are not limited to, futures, forwards, options, swaps, swaptions, subscription shares and warrants; such investments are valued at FVTPL.

##### (c) *Transferable securities*

The fair value of any investment which is a share of, unit of or participation in an open-ended investment fund shall be the latest available net asset value for the investment as published by the investment fund in question or, where such investment is quoted, listed or dealt in on a regulated market, may be a value determined in accordance with the provisions of the articles of association.

#### **New accounting standards, amendments and interpretations in issue and effective for the financial period beginning on or after 1 January 2023**

At the date of approval of these financial statements, the following standards, amendments and interpretations to existing standards were adopted by the Company effective from 1 January 2023:

##### *Amendments to IAS 1 Classification of Liabilities as Current or Non-Current*

The IASB issued 'Classification of Liabilities as Current or Non-current (Amendments to IAS 1)' providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022, however, their effective date has been delayed to 1 January 2023.

The adoption of Amendments to IAS 1 Classification of Liabilities as Current or Non-Current did not have a significant impact on the Company's financial statements.

### 2. Principal Accounting Policies (continued)

#### Basis of Preparation (continued)

##### *IFRS 17 Insurance Contracts*

This standard replaces IFRS 4, which permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted. The adoption of IFRS 17 Insurance Contracts did not have a significant impact on the Company's financial statements.

##### *Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies*

The IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments aim to improve accounting policy disclosures.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted. The adoption of Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies did not have a significant impact on the Company's financial statements.

##### *Amendments to IAS 8 Definition of Accounting Estimates*

The amendments aim to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

The adoption of Amendments to IAS 8 Definition of Accounting Estimates did not have a significant impact on the Company's financial statements.

##### *Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

These amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted. The adoption of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction did not have a significant impact on the Company's financial statements.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on or after 1 January 2023 that have a material effect on the Company's financial statements.

# Notes forming part of the Financial Statements (continued)

## 2. Principal Accounting Policies (continued)

### Basis of Preparation (continued)

*Standards, interpretations and amendments to existing standards in issue but not yet effective and not early adopted*

At the date of approval of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised IFRS	Effective for annual periods beginning on or after
Amendment to IFRS 16 – Leases on sale and leaseback	1 January 2024
Amendment to IAS 1 – Non-current liabilities with covenants	1 January 2024
IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2024
IFRS S2 – Climate-related Disclosures	1 January 2024

The Company is currently evaluating the impact, if any, that these new and revised IFRS Standards will have on its financial statements.

## 3. Deposits with Credit Institutions

Cash held by the Company is deposited with The Bank of New York Mellon SA/NV, Dublin Branch (the “Depositary”). The credit rating of the Depositary, as assessed by Moody’s, is Aa2 (31 January 2023: Aa2).

The Company has adopted the Fund Assets Model under the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Client Asset Regulations 2015 for Investments Firms. Accordingly, subscription and redemption monies are channelled through an umbrella cash collection account in the name of the Company.

The balances on these cash accounts as at 31 July 2023 and 31 January 2023 are deemed immaterial in respect of the Fund. Hence, no adjustments were applied in the financial statements.

## 4. Receivables

	EWF 31 July 2023	EWF 31 January 2023
Amounts falling due within one year:	US\$	US\$
Receivable for investments sold	96,082	50,636
Dividends and interest receivable	35,663	367,807
	<u>131,745</u>	<u>418,443</u>

## 5. Payables (due within one year)

	EWF 31 July 2023	EWF 31 January 2023
Amounts falling due within one year:	US\$	US\$
Payable for investments purchased	-	667,600
Investment management fees payable	122,097	121,845
Manager fees payable	4,955	5,037
Sundry payables	151,799	146,398
	<u>278,851</u>	<u>940,880</u>

## Notes forming part of the Financial Statements (continued)

### 6. Net gains/(losses) on financial assets at fair value through profit or loss

	EWF 31 July 2023 US\$	EWF 31 July 2022 US\$
Net gains/(losses) from financial assets designated at fair value through profit or loss	1,182,629	(32,275,882)
Net gains/(losses) on foreign exchange contracts	(12,457)	32,602
	<u>1,170,172</u>	<u>(32,243,280)</u>

### 7. Investment Management Fees

The Investment Manager is entitled to charge a fee based on the net asset value of each share class as follows:

- 1.00% per annum of the net asset value of each Institutional share class; updated to 0.95% per annum of the net asset value of each Institutional share class, effective 7 February 2022.
- 1.50% per annum of the net asset value of each Retail A share class; updated to 1.45%, effective 7 February 2022.
- 2.25% per annum of the net asset value of each Retail B share class ^ ; updated to 2.20%, effective 7 February 2022.

^ Please refer to Note 22 of the financial statements.

The fee is accrued daily based on the daily net asset value of each share class of the Fund and is payable monthly in arrears. The investment management fees incurred during the financial period are disclosed in the Statement of Comprehensive Income and the investment management fees payable at the end of the financial period are disclosed in Note 5 of the financial statements.

### 8. Manager Fees

The Company is an externally-managed investment company and Carne Global Fund Managers (Ireland) Limited (the "Manager") act as a UCITS management company of the Company.

The Manager is entitled to charge a fee at an annual rate of 0.030% of the net asset value of the Fund up to net asset value of €500 million, 0.020% on the next €500 million and 0.010% above €1 billion; which is payable on each month end net asset value; subject to a monthly minimum amount of €3,500 per month.

The Manager fees incurred during the financial period are disclosed in the Statement of Comprehensive Income and the Manager fees payable at the end of the financial period are disclosed in Note 5 of the financial statements.

### 9. Administration Fees

The Administrator is entitled to charge an ad valorem fee at an annual rate of 0.075% of the net asset value of the Fund; a share class charge of US\$3,500 per annum; a transfer agency charge of US\$32 per transaction; and a shareholder servicing charge of US\$22 per shareholder account. Where all charges aggregate to an amount below the minimum monthly threshold of US\$12,500 for the Fund, the Administrator shall charge the minimum fee accordingly. Additionally, the Administrator shall be entitled to reimbursement of periodic out of pocket expenses. Fees charged by the Administrator for the financial period are shown in "Administration fees" in the Statement of Comprehensive Income and the amounts due at the financial period end of US\$52,348 (31 January 2023: US\$68,424) are included in "Payables" in the Statement of Financial Position and "Sundry payables" in Note 5 of the financial statements.

## Notes forming part of the Financial Statements (continued)

### 10. Depositary Fees

The Depositary is entitled to charge an annual fee equal to 0.0345% of the net asset value of the Fund, subject to a minimum charge of US\$11,500 per annum. Such fees shall be payable monthly in arrears. The Depositary shall also be entitled to charge transaction and safekeeping fees at agreed rates. The Depositary shall also be entitled to be reimbursed for its out of pocket expenses and those of any sub-custodian. Fees charged by the Depositary for the financial period are shown in “Depositary fees” in the Statement of Comprehensive Income and the amounts due at the financial period end of US\$16,086 (31 January 2023: US\$19,214) are included in “Payables” in the Statement of Financial Position and “Sundry payables” in Note 5 of the financial statements.

### 11. Directors Fees

The Directors not affiliated with the Investment Manager shall be entitled to an annual fee and remuneration for their services at a rate to be determined from time to time by the Directors. Such Directors are currently Kevin Molony and Patricia Taylor. The fees of any Director not affiliated with the Investment Manager in any accounting period shall not exceed US\$50,000 without the approval of the Board. All Directors will be entitled to reimbursement by the Company of expenses directly incurred in attending board meetings or in connection with the business of the Company. Any increase in a Director’s fees above US\$50,000 will be notified to Shareholders in advance.

Directors' fees for Kevin Molony and Patricia Taylor amounted to US\$27,027 during the financial period (31 July 2022: US\$24,254). As at the financial period end there was no balance outstanding (31 January 2023: US\$ Nil).

### 12. Miscellaneous Expenses

The miscellaneous expenses in the Statement of Comprehensive Income comprise the following:

	EWF 31 July 2023 US\$	EWF 31 July 2022 US\$
Legal fees	36,894	34,867
Printing fees	3,495	3,274
Tax advisory fees	5,266	9,935
Bank charges	396	(6,747)
Regulatory levies	4,827	4,389
Mailing and fulfilment service fees	193	(13,351)
Directors' insurance	18,886	24,844
Paying agent fees	-	12,592
Company secretarial fees	8,476	12,407
Risk reporting service fees	5,068	-
MLRO service fees	4,069	-
Other fund expenses	(4,629)	3,631
VAT reclaim	(14,864)	(42,045)
	<u>68,077</u>	<u>43,796</u>

### 13. Distributions

There were no distributions made during the financial periods ended 31 July 2023 and 31 July 2022.

### 14. Financial Instruments and Associated Risks

#### Company Risk

The prospectus sets out a comprehensive disclosure of the risks that the Company faces and readers of these financial statements should therefore refer to the prospectus to ensure they have a full understanding of these risks.

#### Global Exposure

Derivatives were not held by the Fund at any time during the financial periods ended 31 July 2023 and 31 January 2023. Had derivatives been held by the Fund, the relevant global exposures would be calculated using the commitment approach as the total of the Fund's net position exposures.

The main risks arising from the Fund's financial instruments are market price, concentration, liquidity, interest rate, credit and currency risk.

#### Market Price Risk

Market price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

#### Concentration Risk

The Fund invests in transferable securities. The concentration of the Fund's portfolio in any one security type would subject the Fund to a greater degree of risk with respect to defaults on the security.

#### Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's constitution provides for the daily creation and cancellation of shares and it is therefore exposed to the liquidity risk of meeting shareholder redemptions at any time.

#### Interest Rate Risk

The vast majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short term market interest rates.

#### Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company. The carrying amounts of financial assets best represent the maximum credit risk exposure at the Statement of Financial Position date. This relates also to financial assets carried at amortised cost, as they have a short term to maturity.

### 14. Financial Instruments and Associated Risks (continued)

#### Currency Risk

The Fund may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Fund is exposed to the risk that the exchange rate of its functional currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Company's assets or liabilities denominated in currencies other than the U.S. Dollar.

#### Fair Value Estimation

IFRS 13 requires the Company to classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- \* Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- \* Level 2: Valuation techniques based on observable inputs either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- \* Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant impact on the instrument's valuation.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

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

## Notes forming part of the Financial Statements (continued)

### 14. Financial Instruments and Associated Risks (continued)

#### Fair Value Estimation (continued)

The following table analyses within the fair value hierarchy, the Fund's financial assets and liabilities measured at fair value at 31 July 2023:

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Transferable securities	147,581,759	-	22,595	147,604,354
	147,581,759	-	22,595	147,604,354

The following table analyses within the fair value hierarchy, the Fund's financial assets and liabilities measured at fair value at 31 January 2023:

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Transferable securities	144,534,697	-	43,384	144,578,081
	144,534,697	-	43,384	144,578,081

All other assets and liabilities, including deposits with credit institutions, are carried at amortised cost; their carrying values are a reasonable approximation of fair value. As such, level 2 is deemed to be the most appropriate categorisation.

Fundsmith Emerging Equities Trust Plc was transferred from Level 1 to Level 3 in the prior financial year and is in liquidation. Management has determined, in good faith, that the value of the remaining shares is GBP 0.315 per share.

There were no transfers between levels for the Fund for the financial period ended 31 July 2023. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the financial period.

#### Level 3 securities

The following table represents the movement in Level 3 investments for the financial period ended 31 July 2023:

	31 July 2023 US\$
Opening balance	43,384
Purchases	-
Sales	-
Transfers into Level 3	-
Transfers out of Level 3	-
Net gains/(losses) recognised in other net changes in fair value on financial	
Assets and liabilities at fair value through profit or loss	
Realised gains	-
Unrealised losses	(20,789)
<b>Closing Balance</b>	<b>22,595</b>

## Notes forming part of the Financial Statements (continued)

### 14. Financial Instruments and Associated Risks (continued)

#### Level 3 securities (continued)

The following table represents the movement in Level 3 investments for the financial year ended 31 January 2023:

	31 January 2023
	US\$
Opening balance	-
Purchases	-
Sales	(839,969)
Transfers into Level 3	933,059
Transfers out of Level 3	-
Net gains/(losses) recognised in other net changes in fair value on financial	
Assets and liabilities at fair value through profit or loss	
Realised gains	839,969
Unrealised losses	(889,675)
<b>Closing Balance</b>	<b>43,384</b>

#### Emerging Market Risk

Emerging markets tend to have a greater level of risk and volatility associated with them and to be less liquid than more established markets. The net asset value, the marketability and the returns derived from the Fund's investments may be affected by uncertainties such as political or diplomatic developments, social and religious instability, changes in government policies, taxation and interest rates, currency conversion and repatriation and other political and economic developments in law or regulations in emerging markets and, in particular, the risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership. All of these facts may adversely affect the overall investment climate and, in particular investment opportunities for the Fund.

#### Financial Derivative Instruments ("FDI")

The Company may, on behalf of the Fund and subject to the conditions and within the limits laid down by the Central Bank and the Prospectus, employ techniques and instruments relating to transferable securities, including investments in FDI. Such techniques and instruments may be used for efficient portfolio management purposes, or to provide protection against exchange risk or for direct investment purposes, where applicable. Such techniques and instruments may include, but are not limited to, futures, forwards, options, swaps, swaptions, subscription shares and warrants.

### 15. Share Capital

#### Capital Requirements

The Company is an externally-managed investment company. The Company is required to have share capital of at least EUR 125,000, at all times. The Company will seek to ensure that this minimum capital requirement is maintained, at all times, on an ongoing basis.

#### Shares in issue

The Company has an authorised share capital of US\$ 60,000 divided into 60,000 subscriber shares of US\$ 1 each and 5,000,000,000 shares of no par value. Subscriber shares do not entitle the holders to any dividend and on winding up entitle the holder to receive the amount paid up thereon but not otherwise to participate in the assets of the Company.

## Notes forming part of the Financial Statements (continued)

### 15. Share Capital (continued)

#### *Shares in issue (continued)*

The subscriber share capital does not form part of shareholders' Fund, and is disclosed in the financial statements by way of this note only. In the opinion of the Directors, this disclosure reflects the nature of the Company's business as an investment fund. Currently there are seven subscriber shares in issue (fully paid up for cash at par) held in a nominee capacity on behalf of the Investment Manager.

#### *Redeemable Participating Shares*

The Company has an authorised share capital of 5,000,000,000 participating shares of no par value.

Redeemable participating shares carry the right to a proportionate share in the assets of the Fund and to any dividends that may be declared. The holders of redeemable participating shares are entitled to one vote per share at a poll. In the event of the winding up of the Company, the holder is entitled to the net asset value of shares held as at the date of the commencement of the winding up. Redeemable participating shares represent financial liabilities as defined under IAS 32 Financial Instruments: Disclosure and Presentation.

The issued redeemable participating share capital was as follows:

31 July 2023	US\$	US\$	US\$	SGD	£
	Institutional	Retail A	Retail B	Institutional	Institutional
As at 31 January 2023	1,222,910	149,825	841	11	138,315
Shares issued during the financial period	10,846	-	-	-	1,346
Shares redeemed during the financial period	(758)	(2,871)	(191)	-	-
<b>As at 31 July 2023</b>	<b>1,232,998</b>	<b>146,954</b>	<b>650</b>	<b>11</b>	<b>139,661</b>

31 July 2022	US\$	US\$	US\$	SGD	£
	Institutional	Retail A	Retail B	Institutional	Institutional
As at 31 January 2022	1,182,586	153,524	878	11	133,767
Shares issued during the financial period	12,855	-	-	-	14,028
Shares redeemed during the financial period	(4,222)	(3,830)	-	-	(1,944)
<b>As at 31 July 2022</b>	<b>1,191,219</b>	<b>149,694</b>	<b>878</b>	<b>11</b>	<b>145,851</b>

^ Please refer to Note 22 of the financial statements.

### 16. Taxation

The Company is an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. The Company will not be liable to tax in respect of its income and gains other than on the occurrence of a chargeable event. Generally a chargeable event arises on any distribution, redemption, repurchase, cancellation or transfer of shares on the ending of a "relevant period", a "relevant period" being an eight year period beginning with the acquisition of shares by the shareholder, and each subsequent period of eight years being immediately after the preceding relevant period.

### 16. Taxation (continued)

A gain on a chargeable event does not arise in respect of:

- (i) a shareholder who is not an Irish resident and not ordinarily resident in Ireland at the time of the chargeable event, provided the necessary signed statutory declaration is held by the Company; or
- (ii) certain exempted Irish resident investors who have provided the Company with the necessary signed statutory declarations; or
- (iii) any transaction in relation to shares held in a recognised clearing system as designated by the order of the Irish Revenue Commissioners; or
- (iv) certain transfers between spouses and former spouses, on the occasion of judicial separation and/or divorce; or
- (v) an exchange of shares arising on a qualifying amalgamation or reconstruction of the Company with another fund; or
- (vi) an exchange of shares representing one Fund for another Fund of the Company.

In the absence of an appropriate declaration, the Company will be liable to Irish tax on the occurrence of a chargeable event, and the Company reserves the right to withhold such taxes from the relevant shareholders.

There were no chargeable events during the current or prior financial period.

Dividends, interest and capital gains (if any) received by the Company may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Company or its shareholders. These dividends, interest and capital gains are shown gross in the Statement of Comprehensive Income with withholding tax shown as a separate line item.

### 17. Related Parties and Connected Persons

#### (a) Related Parties

All transactions between the related parties were conducted at arm's length as summarised below.

In the opinion of the Board of Directors, the Investment Manager is deemed a related party of the Company under IAS 24 "Related Parties Disclosures". Investment management fees charged during the financial period are included in the Statement of Comprehensive Income and the balance outstanding as at financial period end is detailed in Note 5 of the financial statements.

Mark Dwyer and Josephine Kitcher, Directors of the Company, are employees of the Investment Manager and have waived their right to receive Directors' fees.

## Notes forming part of the Financial Statements (continued)

### 17. Related Parties and Connected Persons (continued)

#### (a) Related Parties (continued)

Patricia Taylor, a Director of the Company, is also a director of Wilton Secretarial Limited, the Company Secretary until 6 February 2022; and a partner of William Fry Solicitors (“William Fry”), who provide legal services to the Company. Fees in respect of the former Company Secretary for the prior reporting period are detailed in Note 11 of the financial statements. Legal services fees of US\$13,440 (31 July 2022: US\$94,798) were paid to William Fry during the financial period; and legal services fees payable to William Fry at the financial period end date amounted to US\$10,000 (31 January 2023: US\$10,000) which are included in “Sundry payables” in Note 5.

Carne Global Fund Managers (Ireland) Limited, as Manager is considered a related party to the Company as it is considered to have significant influence over the Company in its role as Manager. Manager fees charged during the financial period are included in the Statement of Comprehensive Income and the balance outstanding as at financial period end is detailed in Note 5 of the financial statements.

Carne Global Financial Services Limited, the parent Company of the Manager, earned fees amounting to US\$16,648 during the financial period (31 July 2022: US\$9,171) in respect of other fund governance services (company secretarial, risk reporting and MLRO service) to the Company, of which US\$ Nil was outstanding as at 31 July 2023 (31 January 2023: US\$ Nil).

The Board of Directors is not aware of cross shareholdings between the Fund and the underlying funds in which they invest.

City of London Investment Group plc, of which the Investment Manager is a wholly-owned subsidiary, had the following holdings in the Fund:

	No. of shares	% holding
<b>31 July 2023</b>		
SGD Institutional	11	100%
<b>31 July 2022</b>		
SGD Institutional	11	100%

Mark Dwyer, a Director of the Company, holds 401 shares in the £ Institutional Class of the Fund (31 July 2022: 401).

There were no other related party transactions during the financial period or related party balances at the financial period end other than those disclosed above.

#### (b) Connected Person Transactions

In accordance with the requirements of the Central Bank UCITS Regulations, all transactions carried out with the Company by the Investment Manager, the Depositary and/or their associated or group companies (“connected persons”) must be carried out as if negotiated at arm’s length and be in the best interests of shareholders. The Directors of the Responsible Person, the Manager, are satisfied that there are arrangements in place (evidenced by written procedures) to ensure that these obligations are applied to all transactions with connected persons and that transactions with connected persons entered into during the financial period complied with these obligations.

### 18. Soft Commission Arrangements

There were no soft commission arrangements entered into during the current financial period or prior financial year.

### 19. Stock Lending

The Company did not engage in any agreement to lend securities in its portfolio in exchange for a fixed rate of interest.

### 20. Contingent Liabilities

There were no contingent liabilities as at 31 July 2023 and 31 January 2023.

### 21. Significant Events During the Financial Period

In February 2022 President Putin authorised a “special military operation” which resulted in a full scale invasion of Ukraine by Russian forces. Subsequently, multiple sanctions were imposed on Russian financial entities (including the central bank), major corporations and prominent oligarchs. The Company does not have any direct exposure to Russian assets and, as at 31 July 2023 exposure on a see through basis was negligible ( $< 0.01\%$ ). There were no Russian investors in EWF as at 31 July 2023. The Company will comply with existing sanctions and any new measures that may be introduced.

The collapse of Silicon Valley Bank and Signature Bank in March 2023 in the United States caused significant volatility within the global financial markets and questioned the stability of the global banking sector. This impacted many global banks resulting in the emergency rescue of Credit Suisse by rival Swiss bank UBS. In a global response not seen since the height of the pandemic, the Federal Reserve joined central banks in Canada, England, Japan, the EU and Switzerland in a co-ordinated action to enhance market liquidity. The Board of Directors, the Manager and the Investment Manager conducted an exposure assessment on the Fund and concluded there were no direct or indirect exposures or specific risks from these events and shall continue to monitor the situation.

There was a second Addendum to the Prospectus, dated 20 July 2023, which details new website links throughout the Investment Manager's website and the amendments to the Company's Articles of Association.

There were no other significant events affecting the Company during the financial period.

### 22. Subsequent Events

The Directors, in consultation with the Manager and the Investment Manager and having regard to best interests of Shareholders, decided to close the Retail B Share Class. The Directors' decision to close the Share Class followed a review and consideration of its future viability. The Share Class closed on 8th August, 2023.

There were no other subsequent events affecting the Company since 31 July 2023 that require amendment to or disclosure in the financial statements.

### 23. Approval of Financial Statements

The financial statements were approved by the Directors on 13 September 2023.

## EWF Portfolio Statement as at 31 July 2023

	Nominal Holding	Functional Currency	Fair Value US\$	Total Net Assets %
<b>Transferable securities</b>				
<b>Asia (31 January 2023: 45.86%)</b>				
Aberdeen Asian Income Fund Ltd.	631,977	GBP	1,723,842	1.16
Aberdeen New Dawn Investment Trust Plc	1,104,569	GBP	3,808,799	2.55
Aberdeen New India Investment Trust Plc	251,436	GBP	1,831,067	1.23
Abrdn Asia Focus Plc	1,478,436	GBP	5,021,886	3.37
Asia Dragon Trust Plc	1,182,296	GBP	5,674,080	3.80
HSBC MSCI Indonesia UCITS ETF	6,000	USD	517,530	0.35
iCapital.biz Berhad	2,670,500	MYR	1,397,733	0.94
INVESCO Asia Trust Plc	683,566	GBP	3,007,925	2.02
iShares MSCI Korea UCITS ETF	27,000	USD	1,266,705	0.85
iShares MSCI Taiwan UCITS ETF	20,000	USD	1,433,200	0.96
JPMorgan Indian Investment Trust Plc	746,007	GBP	8,024,345	5.38
Korea Fund Inc.	130,870	USD	3,153,967	2.11
LG Corp	42,278	KRW	2,769,555	1.86
Morgan Stanley India Investment Fund Inc.	169,301	USD	3,809,273	2.55
Samsung C&T Corp	38,380	KRW	3,110,386	2.08
Schroder AsiaPacific Fund Plc	876,131	GBP	5,749,097	3.85
Scottish Oriental Smaller Companies Trust Plc	143,062	GBP	2,328,495	1.56
Taiwan Fund Inc.	263,077	USD	8,765,726	5.87
Vietnam Enterprise Investments Ltd.	195,295	GBP	1,643,347	1.10
VinaCapital Vietnam Opportunity Fund Ltd.	607,558	GBP	3,693,601	2.47
Voya Asia Pacific High Dividend Equity Income Fund	128,446	USD	813,063	0.54
Weiss Korea Opportunity Fund Ltd.	229,140	GBP	520,363	0.35
			<b>70,063,985</b>	<b>46.95</b>
<b>Europe (31 January 2023: 3.80%)</b>				
Barings Emerging EMEA Opportunities Plc	118,801	GBP	787,205	0.53
Hansa Investment Co Ltd.	327,265	GBP	766,357	0.51
Prosus NV	42,985	EUR	3,413,726	2.29
			<b>4,967,288</b>	<b>3.33</b>
<b>Global Emerging Markets (31 January 2023: 26.77%)</b>				
Abrdn Emerging Markets Equity	795,223	USD	4,365,774	2.93
BlackRock Frontiers Investment Trust Plc	371,154	GBP	697,216	0.47
Fidelity Emerging Markets Ltd.	754,379	GBP	5,862,555	3.93
Fundsmith Emerging Equities Trust Plc ^	55,748	GBP	22,595	0.01
JPMorgan Emerging Markets Investment Trust Plc	5,302,637	GBP	7,341,158	4.92
JPMorgan Global Emerging Markets Income Trust Plc	427,593	GBP	737,218	0.49
Templeton Emerging Markets Fund	171,841	USD	2,172,930	1.46
Templeton Emerging Markets Investment Trust Plc	7,162,611	GBP	14,155,428	9.49
Utilico Emerging Markets Trust Plc	2,055,127	GBP	6,081,727	4.07
Voya Emerging Markets High Dividend Equity Fund	141,696	USD	767,992	0.51
			<b>42,204,593</b>	<b>28.28</b>

## EWF Portfolio Statement as at 31 July 2023 (continued)

	Nominal Holding	Functional Currency	Fair Value US\$	Total Net Assets %
<b>Transferable securities (continued)</b>				
<b>Hong Kong/China (31 January 2023: 12.20%)</b>				
Abrdn China Investment Co.	402,357	GBP	2,469,394	1.65
China Fund Inc.	121,463	USD	1,518,288	1.02
Fidelity China Special Situations Plc	1,404,266	GBP	4,173,705	2.80
Morgan Stanley China A Share Fund Inc.	268,911	USD	3,651,811	2.45
Templeton Dragon Fund Inc.	463,618	USD	4,677,906	3.13
			<b>16,491,104</b>	<b>11.05</b>
<b>Latin America (31 January 2023: 4.89%)</b>				
BlackRock Latin American Investment Trust Plc	158,120	GBP	883,969	0.59
Lyxor MSCI Brazil UCITS ETF	34,000	USD	777,410	0.52
Mexico Fund Inc.	175,898	USD	3,160,887	2.12
Ocean Wilsons Holdings Ltd.	121,115	GBP	1,558,326	1.05
			<b>6,380,592</b>	<b>4.28</b>
<b>Middle East and Africa (31 January 2023: 4.83%)</b>				
Gulf Investment Fund Plc	665,472	USD	1,657,025	1.11
iShares MSCI Saudi Arabia Capped UCITS ETF	650,000	USD	4,081,025	2.73
Remgro Ltd.	194,533	ZAR	1,758,742	1.18
			<b>7,496,792</b>	<b>5.02</b>
<b>Total transferable securities (31 January 2023: 98.35%)</b>			<b>147,604,354</b>	<b>98.91</b>
<b>Financial assets at fair value through profit or loss</b>			<b>147,604,354</b>	<b>98.91</b>
Other net current assets			1,630,792	1.09
<b>Total net assets</b>			<b>149,235,146</b>	<b>100.00</b>

^ In liquidation.

	Total Assets %
<b>Analysis of investments</b>	
Transferable securities admitted to an official stock exchange listing	98.72
Deposits	1.19
Current assets	0.09
<b>Total assets</b>	<b>100.00</b>

## Significant Portfolio Movements for the financial period ended 31 July 2023

### EWF

In accordance with the Central Bank UCITS Regulations, a statement of the largest changes in the composition of the Portfolio Statement during the financial period is provided to ensure that the shareholders can identify changes in the investments held by the Fund. These statements present the aggregate purchases and sales of an investment, exceeding 1% of the total value of purchases and sales for the financial period. At a minimum, the largest twenty purchases and sales are listed. If a Fund enters into less than twenty purchases or sales during the financial period, then all transactions are presented.

Major Purchases	Cost US\$	All Sales ^	Proceeds US\$
Taiwan Fund Inc.	2,064,594	iShares MSCI Taiwan UCITS ETF	3,654,222
Abrdn Emerging Mkts Equity Income Fund Inc	1,687,558	Remgro Ltd.	1,834,219
iShares MSCI Saudi Arabia Capped UCITS ETF	1,374,290	Lyxor MSCI Brazil UCITS ETF	1,795,079
iShares MSCI Korea UCITS ETF	1,262,588	LG Corp	1,203,000
Voya Asia Pacific High Dividend Eq Inc Fund	795,700	Prosus NV	642,921
Morgan Stanley China A Share Fund Inc.	792,238	Abrdn Asia-Pacific Income Fund Inc.	618,024
Aberdeen New Dawn Investment Trust Plc	772,689	Templeton Emerging Markets Inv Trust Plc	381,437
Templeton Dragon Fund Inc.	660,798	Vietnam Holding Ltd	290,286
Scottish Oriental Smaller Companies Trust Plc	617,585	Morgan Stanley India Investment Fund Inc.	238,997
Voya Emerging Mkts High Inc Div Equity Fund	577,003	Vietnam Enterprise Investments Ltd.	172,526
HSBC MSCI Indonesia UCITS ETF	520,380	Mexico Fund Inc.	133,292
Mexico Fund Inc.	433,548	Utilico Emerging Markets Trust Plc	127,439
Korea Fund Inc.	365,622	INVESCO Asia Trust Plc	94,376
Utilico Emerging Markets Trust Plc	314,870	Aberdeen Asian Income Fund Ltd.	29,504
BlackRock Frontiers Investment Trust Plc	212,876	Fidelity China Special Situations Plc	19,256
Abrdn Asia Focus Plc	171,428		
Genesis Emerging Markets Fund Ltd.	81,447		
LG Corp	75,754		
Templeton Emerging Markets Fund	74,528		
JPMorgan Global Emerging Mkts Inc Trust Plc	72,731		
Fidelity China Special Situations Plc	64,335		
BlackRock Latin American Investment Trust Plc	63,617		
China Fund Inc.	31,141		
Templeton Emerging Markets Inv Trust Plc	27,084		

^ The above constitutes the full sales detail during the financial period.

## Supplemental Information

### (i) Other Fees and Expenses

Other fees and operating expenses are detailed in the Company's prospectus.

The total expenses are disclosed in the Statement of Comprehensive Income.

The Total Expense Ratio ("TER") is determined by assessing the total operating costs per share class to the average share class net asset value. The TER for the financial period was as follows:

	31 July 2023	31 January 2023	31 July 2022
<b>EWF</b>			
<b>Investment Management Fee Ratio:</b>			
US\$ Institutional Class <sup>1</sup>	0.95%	0.95%	0.95%
US\$ Retail A Class <sup>2</sup>	1.45%	1.45%	1.45%
US\$ Retail B Class <sup>3^</sup>	2.20%	2.20%	2.20%
SGD Institutional Class <sup>1</sup>	0.95%	0.95%	0.95%
£ Institutional Class <sup>1</sup>	0.95%	0.95%	0.95%
<b>Other Expenses Ratio:</b>			
US\$ Institutional Class	0.38%	0.36%	0.35%
US\$ Retail A Class	0.38%	0.36%	0.35%
US\$ Retail B Class <sup>^</sup>	0.38%	0.36%	0.35%
SGD Institutional Class	0.38%	0.36%	0.35%
£ Institutional Class	0.38%	0.36%	0.35%
<b>Total Expenses Ratio:</b>			
US\$ Institutional Class	1.33%	1.31%	1.30%
US\$ Retail A Class	1.83%	1.81%	1.80%
US\$ Retail B Class <sup>^</sup>	2.58%	2.56%	2.55%
SGD Institutional Class	1.33%	1.31%	1.30%
£ Institutional Class	1.33%	1.31%	1.30%

<sup>1</sup> The investment management fee for the institutional share classes was reduced from 1.00% to 0.95%, effective 7 February 2022.

<sup>2</sup> The investment management fee for the Retail A Class was reduced from 1.50% to 1.45%, effective 7 February 2022.

<sup>3</sup> The investment management fee for the Retail B Class was reduced from 2.25% to 2.20%, effective 7 February 2022.

<sup>^</sup> Please refer to Note 22 of the financial statements.

### (ii) Investment Risks

Investors should note the risk factors set out in the prospectus in addition to those set out below.

Investors should note that investments in closed-ended schemes may be acquired at a significant discount or premium to the relevant net asset value of the scheme. Generally, it is not the policy of the Fund to invest in units which are at a premium to their relevant net asset value.

The investment policies of certain securities may permit them to gain exposure to the underlying markets using derivative instruments issued by third parties. Such securities will be subject to counterparty risk associated with those issuers and may suffer losses, potentially equivalent to the full value of the derivative instrument, if any issuer fails to perform its obligations under such derivative contract.

## Supplemental Information (continued)

### ii) Investment Risks (continued)

The Investment Manager does not use currency hedging. The value of any share expressed in its class currency is subject to exchange rate risk in relation to the base currency of the Fund, being U.S. Dollar.

### (iii) Exchange Rates

The following financial period end exchange rates against the U.S. Dollar were used in the preparation of these financial statements:

	31 July 2023	31 January 2023
British Pound	0.7772	0.8123
Canadian Dollar	1.3163	1.3344
Euro	0.9070	0.9208
Malaysian Ringgit	4.5090	4.2658
Mexican Peso	16.7025	18.8000
Singapore Dollar	1.3278	1.3144
South African Rand	17.7838	17.4275
South Korean Won	1,274.6500	1,231.8000
Swiss Franc	0.8669	0.9188
Taiwan Dollar	31.4265	30.0250

### (iv) Net Asset Value

EWF	Total net asset value		Net asset value per share				
	US\$	Institutional	US\$	US\$	US\$	SGD	£
31 July 2023	149,235,146	99.18	88.71	88.71	78.61	131.62	77.10
31 January 2023	146,998,793	98.24	88.09	88.09	78.34	129.09	79.81
31 July 2022	136,436,908	92.67	83.29	83.29	74.36	128.13	76.16

<sup>^</sup> Please refer to Note 22 of the financial statements.

### (v) UK Reporting Fund Status

EWF has been approved as a Reporting Fund by HM Revenue & Customs under the provisions of the Offshore (Tax) Regulations 2009 and the Company has committed to seek to maintain Reporting Fund status in respect of same through to at least 31 July 2023.

As a Reporting Fund for UK tax purposes, the Fund is required to report its Reported Income within six months of the end of the accounts financial year. The Fund intends to publish the relevant shareholder information, as required by HM Revenue & Customs under the provisions of The Offshore Funds (Tax) Regulations 2009, at the web address [www.citlon.com](http://www.citlon.com) on an annual basis within six months of the Company's financial year end, being 31 July. A hard copy of the Reported Income statement may be obtained from the Investment Manager at the address on page 1 of this report.

## Important Notice

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The World Markets Umbrella Fund plc (“the Company”) is an open-ended investment company with variable capital with segregated liability between sub-funds, incorporated with limited liability under the laws of Ireland, authorised and supervised by the Central Bank of Ireland as a UCITS fund. Registered address: 2nd Floor, Block E Iveagh Court, Harcourt Road, Dublin 2, Ireland. The Company is a recognised scheme under Section 264 of the Financial Services and Markets Act 2000 of the United Kingdom.

All reasonable care has been taken in the preparation of this information. No responsibility can be accepted under any circumstances for errors of fact or omission. This material is for information only and does not constitute a solicitation or offer to any person to buy or sell any related securities or financial instruments, or to provide investment advice or services. Tax treatment depends on personal circumstances and may change. This document is not advice on legal, taxation or investment matters so investors must rely on their own examination of such matters or seek advice. The value of investments can fall as well as rise and investors might not get back the sum originally invested. Past performance is no guarantee of future results.

Shares in the sub-funds of The World Markets Umbrella Fund plc are not available for sale in any jurisdiction in which such sale would be prohibited.

### Manager

Carne Global Fund Managers (Ireland) Limited  
2nd Floor  
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### Dealing/Settlement/Administration Enquiries

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Investment Management Company Limited